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Karpov on Arms Treaty Issues

LD1807210391 Moscow All-Union Radio First Program Radio-1 Network in Russian 1635 GMT 18 Jul 91

[Interview with USSR Deputy Foreign Minister Viktor Karpov by Vladimir Pasko, in Moscow on 16 July—recorded]

[Text] [Pasko] Good day, comrades. Our attention today is drawn to the USSR president's talks with the leaders of the leading Western countries regarding the inclusion of the Soviet Union in world economic relations on the basis of the rules accepted in the world economy. However, there is another theme which is being discussed in a lively way, namely, the progress of the Soviet Union and the United States in preparing a treaty on reducing strategic offensive armaments. After a little over nine years of very difficult routine work, which involved politicians, diplomats, the military, scientists and specialists in various spheres—work which without exaggeration was followed with secret hopes in both capitals and was accompanied by dramatic disputes and even the slamming of doors—it seems that the sides have entered the finishing straight.

It was announced yesterday that the final issues have been resolved, and this makes it possible to present the treaty for signing. Let met say frankly that those who were following this subject were expecting such an announcement, nevertheless it did come as a surprise. The progress toward a treaty had been too difficult. Even a few days ago, just one issue but a very complex one, needing to be resolved, lay in its way.

The recorded interview that I want to bring to your attention was made the day before yesterday when the issue that I mentioned had not yet been resolved. Now it no longer remains to be resolved. Nevertheless, the interview in question has not lost its topicality and interest. It gives one, to a great extent, an idea of the work that has been accomplished, its complexity and character, and the importance of what has been achieved.

The interview is with USSR Deputy Foreign Minister Karpov, one of the leading specialists in the arms control field and a person who may be said to have devoted his whole life to this problem and who knows it better than anyone.

Viktor Pavlovich, I would like to hear from you rather specifically: What accords have been reached, and what do they mean for us and for the concluding of a treaty?

[Karpov] Indeed, what was really the last barrier on the path to signing a treaty on strategic arms has been crossed. One issue remains—a technical issue which requires expert analysis, analysis precisely of the technical aspect of the matter, as I should say, of the technology of missile-building. It is a question of fixing the boundary at which any increase in the throw weight of a missile signifies not modernization, but the transforming of that missile into a new type of ballistic missile. That's what the whole issue is about. Here there are a great many technical parameters which determine the index of throw weight—missile power, distance to which the missile is launched. If you launch a missile to a distance of say, 7,000 km, you can give it a greater effective load than if you launch it to 11,000 km. So all these questions to do with both the criteria of specification and the comparison of the throw weight of the missiles which are being tested are now preventing us from reaching a final solution to this issue. Further work would need to be done by the experts, and it is being done by us now in Moscow, and I hope also by the experts in Washington.

In my view these questions can be solved, but we need to weigh up all the initial data, all the initial premises on which we can build a final solution that will enable us to precisely determine both the indices of throw weight and the comparison of them with the weight categories of existing missiles, and determine whether the missiles being tested have crossed this borderline dividing modernized missiles fromm missiles of a new type.

The other criteria have been agreed upon: For example, if the number of stages of a missile is changed, it already comes into the category of a missile of a new type. And if the launch weight of a missile is changed, then the situation is clear; and if the dimensions of a missile are changed by more than 10 percent, length and so on—so these parameters have been agreed upon. There remains throw weight, we have still to agree on this parameter.

[Pasko] Viktor Pavlovich, now when there is practically only one question to be agreed on, it is possible to talk about—and the Western press is already writing about it—the treaty itself, which will be ready any time now. It has been prepared for a long time, for nine years.

[Karpov] Yes, even longer.

[Pasko] And everyone is likely to have forgotten what this treaty will bring, and what it means.

[Karpov] It means that firm limits will be introduced on the number of means delivering nuclear weapons, strategic nuclear weapons, and on the number of warheads themselves. The same levels are being established for the United States and for the Soviet Union as regard intercontinental ground-launched ballistic missiles, submarine-launched missiles, and heavy bombers. The total level is established at 1,600 items. You can vary different categories of missiles within the framework of this level, you can choose between bombing aviation and missiles. But the limit is 1,600 items for both the United States and the Soviet Union. The limit for nuclear warheads is 6,000 for both the United States and the USSR. At the same time a sublimit of 4,900 items is being established for ballistic missiles. Neither the United States nor the USSR can have more ballistic missiles than the sublimit. The number of strategic bombers cannot exceed 1,100. So those were the main parameters. You also have a

whole range of additional statements which concern, let's say, undeployed missiles, limits for mobile missiles, limits for undeployed missiles which are the part of mobile missile launchers, and so on and so forth. So in other words, there are the whole systems of such limits which apply to the United States and the USSR and which give an opportunity to insure, I should say, the predictability of military potential of both sides for the period of the treaty, which is 15 years.

These provisions envisage not only measures of limitation, they envisage a whole range of additional provisions that make the verification [kontrol] system easier and that give both the United States and the USSR the possibility of having a clear concept of whether the other side is observing the provisions of the treaty.

These verification measures envisage a system of constant observation of the production of mobile intercontinental ballistic missiles in both the USSR and the United States. They envisage a quota system of verification depending on the number of installations subject to verification on a regular basis. They also envisage a system of applying verification on demand without the right of refusal in those cases where there is serious suspicion that the other side is not observing the provisions. That is, there is a system that allows the opportunity to be completely sure, in my view, that we shall have a clear idea that the United States is observing the provisions of the treaty, and the United States will have equal opportunities.

That is the essence of the treaty—to reduce the present quantity of warheads and means of delivery. We will reduce warheads approximately from 10,000 down to 6,000, and the United States approximately from 13,000 down to 6,000. They will have to reduce more warheads. Regarding means of delivery, it is the other way around: we will reduce from 2,400 down to 1,600, while the United States, approximately, from 2,200 down to 1,600. It will have to make smaller cuts in means of delivery but greater cuts in warheads. So, there is a thorough balance of interests that enables one to say that the parity that has been attained, a strategic parity, will be registered in the treaty and will already become a legally based norm of mutual relations between the United States and the USSR. Therein I see the importance of the future treaty.

[Pasko] Viktor Pavlovich, initially what was under discussion was reducing strategic offensive armaments by 50 percent. Then there was a slight change in this ratio, and accord went over to 30 percent. What was the reason for this?

[Karpov] In the process of agreeing upon specific values, account was taken of the interests of insuring the national security of the United States and the USSR. The figure of 1,600 means of delivery and 6,000 nuclear warheads was acknowledged by both sides as the optimal solution at the present stage, for it insures that it will be possible for both the USSR and the United States to retain a counterstrike potential: that is, a counterstrike potential that can survive even if the other side makes a nuclear first strike against our strategic forces. A sufficient quantity of means will remain from what is now retained under the treaty for us to be able to inflict a counterstrike against the territory of the United States that will be a catastrophe for the United States; that is, there is no sense in making a first strike. In essence, the treaty excludes a first strike as a possibility for winning a war. At the present stage, this correlation of nuclear warheads and means of delivery is the optimal one.

[Pasko] Viktor Pavlovich, if one proceeds from the accords that have been reached of late—I am referring to the provisions that both sides do not regard each other as enemies and exclude that possibility of the outbreak not only of nuclear war but also of conventional war—how can one compare these provisions with what you have just said, with the calculations on which the present treaty is based? Is it not lagging behind life and behind the times?

[Karpov] I understand your question, and such questions do arise. But the whole point is I think that we should be gradual in our construction of the new system of relations with the United States and with other NATO countries. As yet we are only just beginning the construction of this new basis.

The treaty on strategic armaments will, as it were, create the material guarantee that nuclear war between the USSR and the United States is impossible. The treaty on conventional armed forces in Europe leads gradually... it is the first stage of the transition to the position in which conventional war between NATO and the USSR also becomes impossible, when it will be possible to move on to a way of organizing the armed forces of both the NATO countries and the USSR that would exclude the possibility of conducting large-scale offensive operations; that is, of unleashing major military operations.

The combination of restrictions on strategic armaments with reductions in conventional armaments is already creating a new stage in relations among the USSR, United States, and other NATO countries.

And this is precisely the meaning of the fact that in my view the foundations are now being laid on both sides—by NATO and by us—for further talks in Vienna, where now what is called Vienna-1A is discussing the question of reducing the personnel, not only the arms as written in the Paris treaty, but now the personnel. Evidently, after the Helsinki summit next year there will be the next stage of the Vienna talks which should now lead to a more radical restructuring of the armed forces of the parties to the talks, of all 35 European states—a restructuring that would lead to a further removal of tension, a further reduction of the offensive potential of the armed forces of member countries, and to the creation of a new system of security combined with new general European institutions, the germ of which we already have—in the Center for the Prevention of Conflict, the secretariat of

the CSCE, and other such consultative institutions meetings of foreign ministers of the CSCE.

But I think that gradually we shall get to the point of creating a more ramified permanent system of bodies that will provide the possibility of rapid communications of information, and an automatic network based in The Hague is already being set up, which will link all 35 capitals and will relay information to the center in The Hague, from there it will be rapidly distributed to all the countries via automatic communication lines using computers, and thus a system of operational information is set up. By endowing the Center for the Prevention of Conflict, in the future, with broader and more specific functions, we shall be able to start building a new system of rapid notification and rapid decision-making which could start a mechanism for the real prevention of conflict in Europe.

[Pashko] In other words, as far as I understand it, this treaty is a kind of material foundation of the political decisions that have been taken.

[Karpov] Perfectly correct. But this is probably only the first stage, for we already have the joint Soviet-U.S. declaration of 1 June last year, signed by the Presidents of the United States and the Soviet Union, which sets the aim of continuing negotiations after the conclusion of the strategic arms treaty, negotiations that are intended to lead to the establishment of a new system of strategic stability, primarily in relations between the United States and the Soviet Union, in the field of strategic potentials. The chief meaning of this is the creation of even greater material guarantees that a nuclear war will not be unleashed in one way or another. The main way of doing this is to reduce the concentration, to reduce the number of nuclear warheads and to reduce their concentration on strategic delivery systems. We are, essentially, already including this element now in the decisions that are being taken under the treaty, when we talk about cutting the numbers to 6,000. One way or another, the number of nuclear warheads on ballistic missiles, each one of them, is being reduced. For example, if we had the SS-M-18 missile, as it is called in the NATO classification, a sea missile, it used to have seven warheads, but now we have already reconfigured it to take three warheads, and it will now carry three warheads. In other words, as you see, there is already a reduction.

[Pashko] That is happening on our side, but are there identical examples on the U.S. side?

[Karpov] Yes, the Americans are also intending to reconfigure their Minuteman-3 missiles to take one warhead instead of three. In other words they are also planning to reduce the concentration of warheads on their ballistic missiles. Their sea missile, the Trident-2, was tested with 12 warheads, but it is now being deployed with eight warheads. So, as we can see, they are also pursuing a trend toward reducing the number of warheads on one missile.

The idea is to further develop these improvements, and that will lead to a reduction in the value, as it were, of each delivery system. In other words, it will not attract first-strike weapons, because one will first have to take a look at whether there are enough nuclear warheads to be sure of knocking out the other side's retaliatory strike weapons. Movement along this road, the road of reducing the concentration of nuclear warheads on strategic delivery systems, in connection with the reduction of the actual number of nuclear warheads altogther, is the way which, in our view, will make it possible to create an even more stable atmosphere in the strategic relationship between the USSR and the United States.

[Pasko] General Moiseyev, commander of the general staff, has expressed a high opinion of the treaty which is being prepared, stressing that it is fully in accord with the interests of the national security of the Soviet Union. One must assume that he had in mind this very aspect of the question which you have just spoken of.

[Karpov] He was not specific about what he had in mind, but I think he did have this aspect in mind, certainly, since in the course of just over nine years that the talks have been in progress, of course all this has been weighed more than once, all this has been discussed, on our side, all the positions from which the delegations, or foreign ministers, started out at the talks with the Americans, they have been thoroughly studied—at interdepartmental conferences, by the groups of experts. In other words, all that has now been enshrined in the draft treaty is in accord with our interests and security. There is no doubt about this and I think this is what General Moiseyev had in mind.

[Pasko] In other words, as I understand it, our interest in this case is not in the threats that we pose to the Americans by our armaments, but in the reduction of the threats that are directed against us.

[Karpov] Certainly, the United States will be forced to cut the number of their warheads from 13,000 to 6,000.

[Pasko] Thank you very much. [end of interview]

[Pasko] What you have just heard is only a first reaction, a first appraisal of what has been achieved. About the treaty, the text of which, as I understand it, is now in the hands of the translators, I don't doubt that a great deal will be done, both in general and in detail. I will now merely quote the words that the USSR president said yesterday at the press conference in London: Fatigue and obvious lack of time determined the laconic nature of the assessment; the president was dealing with the political significance of what had been achieved. This is good news not just for today, he said; it shows that despite all the difficulties, important changes are taking place in the world—changes which are yielding results that we never even dreamed of a few years ago.

Karpov, Dufourcq Discuss Arms Issues

PM1807133791 Moscow IZVESTIYA in Russian 17 Jul 91 Union Edition p 5

[Unattributed report under general heading "Official Reports"]

[Text] USSR Deputy Foreign Minister V.P. Karpov received Bertrand Dufourcq, French ambassador to the USSR on 15 July

During the conversation they examined questions connected with the Soviet-U.S. talks on the Treaty on the Reduction and Limitation of Strategic Offensive Weapons, the continuation of talks on conventional armed forces in Europe, and the conclusion of the multilateral Convention on Chemical Weapons.

There was also an exchange of views on the results of the meeting of the "five" states, held recently in Paris, on the problem of limiting arms deliveries and questions of the nonproliferation of weapons of mass destruction and missiles.

Mikhailov Views Arms Sales

OW1807041391 Moscow INTERFAX in English 1800 GMT 17 Jul 91

[From the "Diplomatic Panorama"; transmitted via KYODO]

[Text] The Soviet Union takes the position that it is essential to block the channels of unregulated supply of arms, and in this context set up a code of practice on both the global as well as on the regional level. Mr. Konstantin Mikhailov, first deputy of the Soviet Foreign Ministry Department on Arms Limitation and Disarmament, paid particular attention to Moscow's attitude to arms export with regard to the declaration made in this context by the G-7 countries in London. Mr. Mikhailov was the head of the Soviet delgation at a recent meeting in Paris of the five permanent members of the UN Security Council which discused possible measures to be undertaken by the world community to control military supplies.

The Soviet Union considers that every country has the right to armaments in the context of the 51st Article of the UN Charter. As far as the international supply of arms is concerned then the key word here should be openness. The Soviet Union's proposition is to work out a register of arms supply on a world scale—this document is currently being prepared by the UN.

The Paris meeting was the first step in setting up firm control on military exports. It set down the necessity for control of the supply of conventional weapons as well as of missile and missile technology along with weapons of mass destruction. It was agreed that in September experts shold meet in London to discuss problems concerning the preparation of the register. In October another meeting of experts will be held in British capital to work out criteria for the supply of weapons. We can hope that these criteria will be accepted not only by the permanent representative of the UN Security Council. The Soviet Union believes that the flow of arms can only be controlled with the cooperation of both arms exporters and importers. Mr. Mikhailov concluded by saying that the United Nations had a special role to play in this area.

Gorbachev Continues London G-7 Meetings

Meeting With Major

LD1807195791 Moscow TASS in English 1905 GMT 18 Jul 91

[Text] London July 18 TASS—President Mikhail Gorbachev and British Prime Minister John Major had a meeting today within the framework of the Soviet leader's official working visit to Britain.

The meeting began with the exchange of views on the results of the president's meeting with the leaders of the big seven yesterday. Gorbachev assessed the meeting as an unprecedented event, as the start of new world relations. If these new forms become established and start working, it is hard to overestimate the consequences of that for the entire international community.

Major and Gorbachev favoured further development of personal contacts among heads of state and government. Their importance for the formulation of new world politics was proved by unique experience in the past years. Today, following the London G-7 meeting, it will be necessary to prove their role in the establishment of a new type of international economic relations.

At this stage of the dialogue with the USSR, Major acts not only as the prime minister of his country, but also as the coordinator [words indistinct] conclusions, including with regard to the Soviet Union.

In this connection and with a view to invigorating British-Soviet economic cooperation, the parties agreed on a visit to the USSR shortly by the British secretary of the treasury, and on other projects.

Major will pay a visit to the Soviet Union this year.

Exchanges Toasts With Major

LD1807183391 Moscow TASS in English 1823 GMT 18 Jul 91

[By unidentified TASS special correspondents]

[Text] London July 18 TASS—The Wednesday meeting between USSR President Mikhail Gorbachev and the leaders of the Group of Seven (G-7) countries "marks a new chapter in Soviet relations with the industrialised world," British Prime Minister John Major said today at an official luncheon given in honour of the visiting Soviet president.

He said Britain wants to take part in the Soviet Union's transformation to a market economy and pointed out that a lot of Britain's own experience would be relevant to the Soviet Union as well.

Major voiced hope that the Soviet-British meetings in London on Thursday would make it possible "to forge a further link in the chain of Anglo-Soviet friendship and cooperation."

President Gorbachev expressed the conviction that Anglo-Soviet cooperation would continue to help make the world more secure and stable and more suited for a life worthy of the human being.

In the estimate by the Soviet leader, his today's intensive talks with John Major made it possible to draw positions on many important aspects of the world situation closer together. The head of the Soviet Union also emphasised that the Moscow-London cooperation in world politics was steady.

Speaking about Wednesday's meeting with G-7 leaders, Gorbachev said that the Soviet Union's direct contact with the world's major industrialised powers was the first step towards the establishment of a new type of world economic relations and, it means, the creation of a material basis for the irreversibility of radical changes that have taken place in world politics over recent years.

"Many of us and people around feel that the history of a new world—a world of cooperation and interaction—has been in the making in London these days," the Soviet president said.

"We have actually come "to feel the atmosphere of a new political philosophy. This is an event that will constructively influence the quest for ways towards a new civilisation," Gorbachev said.

Luncheon Speech

LD1807201791 Moscow TASS International Service in Russian 1707 GMT 18 Jul 91

[Speech by USSR President Mikhail Sergeyevich Gorbachev at a luncheon hosted in Gorbachev's honor by British Prime Minister John Major in London on 18 July]

[Text] [no dateline as received] Esteemed Mr. Prime Minister, esteemed Mrs. Major, ladies and gentlemen:

Many of us have a feeling that the history of a new world was being created over the past few days in London, a world of cooperation and interaction. We have sensed in real terms the atmosphere of a new political philosophy. An event has taken place that will have a constructive effect on the search for a new civilization.

Everything that has happened here is still to be deeply and thoroughly analyzed, but the main thing is obvious: The meetings in London are a major landmark and a strong impetus on the route designated by the 1990 charter for a new Europe.

The USSR's attainment of direct contact with the major industrial powers is the first step toward creating a new type of world economic relations. This also means toward creating a material basis for the irreversibility of those fundamental changes in world politics that have taken place over the past few years.

It is undoubtedly to the credit of our British hosts—and first of all to your credit, Mr. Prime Minister—that this happened in the way best suited to the circumstances.

Over the past few days we have experienced the amicability, hospitability, and respectful attitude of the British people. We have once again made certain of the correctness of major political decisions that gave us an opportunity to jointly clear Soviet-British relations of the demons of confrontation and ideological myths. Everybody has gained from this. I am sure that Soviet-British interaction will continue to help to make the world more secure and stable and more suitable for a decent life.

Today I held intensive talks with Mr. Major. We discussed major European problems, problems of international life, and bilateral relations. Once more we made certain—in any case, I can say this about myself with full confidence and full sincerity—that we can cooperate well and fruitfully, trusting each other. We have arranged regular contact, in written form and by telephone, as well as through ambassadors who, in my opinion, represent their countries in a worthy and competent manner. I would like to make use of this opportunity to specially mention the contribution by Mr. Braithwaite toward improving British-Soviet interaction and creating a new atmosphere in the relations between our countries and our peoples.

Our talks today have enabled us to bring together our positions on many important points of the world situation. Today the line from Moscow to London is working steadily in world politics.

Many matters and concerns lie ahead. Pressing major tasks—you in Britain, I can see, also have quite a few of them—require too much strength and intense attention. Politics, unfortunately, does not go on holidays. But I am taking hope from London that our concerns and tasks that we will tackle ourselves now have behind them a better understanding and more readiness toward cooperation on the side of Britain and other members of G-7.

Here's to a peaceful future, to the prosperity of our countries for our children and grandchildren, to good relations between our peoples and our states, and to the health of the prime minister of Great Britain and Mrs. Norma Major!

Comments on Talks With Major

LD1807222791 Moscow TASS in English 2135 GMT 18 Jul 91

[By Dmitriy Voskoboynikov]

[Text] London July 18 TASS—Following the conclusion of the negotiations at 10 Downing Street, British Prime Minister John Major and Soviet President Mikhail Gorbachev addressed reporters with brief summaries of the work done and answered questions.

The head of the British Cabinet was the first to take the floor. He said that a series of negotiations were conducted on Thursday. Major said the president and he had had an opportunity to conduct negotiations for almost two hours before luncheon and then to continue them during the luncheon with the participation of a large number of business people, representatives of trade and industry.

After the luncheon there was a plenary meeting with the participation of ministers of finance and economics, ministers of employment and of foreign affairs.

Major said it had been an extremely effective and useful exchange of opinions. In addition to bilateral relations, the parties discussed the arrangements reached at G-7 meeting, as well as some questions connected with the prime minister's forthcoming visit to Moscow to take place this year before Christmas.

Major said it had been decided that Chancellor of the Exchequer Norman Lamont would shortly visit Moscow to continue the debates. Major said the timeframe for the visit had not been finally determined as yet, but said he hoped the chancellor of the exchequer would be able to go to Moscow before the end of July to further the dialogue.

Major also said that a high-ranking delegation from the Department of Employment would go to the Soviet Union next Sunday to study small business and other existing opportunities for business ties between the two countries.

Major said that during negotiations with President Gorbachev he also announced that the existing fund of know-how would be expanded to encourage small businesses in the USSR. Major said the timeframe for the operation of the fund would be increased from two to three years and its amount would double to contribute to the establishment of a private sector and of a market economy in the Soviet Union.

Major said that the debates held were extremely useful and that he was looking forward to their resumption later this year in Moscow.

Mikhail Gorbachev then spoke.

"My task is facilitated by the fact that the prime minister has already said the main things", he said. "I only wish to note that we have not been losing time and that Mr. Major and I were discussing from the morning what we should do next to ensure the continuation of the process which we yesterday started in 'seven plus one' framework", Gorbachev said.

"The Soviet-British dialogue is important in itself. It is common knowledge that cooperation between the Soviet Union and Great Britain over the recent years contributed to the improvement of international relations and development of a political dialogue which proceeds now and which has achieved such results. Now this dialogue will have another important dimension. In essence, the

first bricks of cooperation are being set down. We had thorough discussion with Mr. Prime Minister. When the delegations met in an enlarged composition, we noted with much pleasure that the same was said by our ministers".

"Thus we have accepted the signal sent by G-7 and started acting. This is to be welcomed", Gorbachev said. "These days in the framework of the meeting with G-7 yesterday and during the working visit now, we are aware of a strong wish of the British side to create a good atmosphere and to work jointly effectively. Permit me to thank Mr.Prime Minister and his colleagues who participated actively in this work".

Then Major and Gorbachev answered questions from newsmen.

Question: Couldn't you zssess the present state of British-Soviet relation? Were any specific arrangements made in the framework of commitments assumed by G-7 leaders at the negotiations with Major today?

Major said that Soviet-British relations were very good and improving.

Gorbachev: "I would like to add that our business circles have interesting offers. The scopes of this cooperation can rapidly widen. It is necessary to clear obstacles to this cooperation. Any restrictions like those imposed by COCOM interfere with progressive projects, and no one will busy oneself with old plans. Nobody needs them", Gorbachev said.

Makes Statement After Talks With Major

LD1807192291 Moscow All-Union Radio First Program Radio-1 Network in Russian 1600 GMT 18 Jul 91

[Excerpts] The conference of the leaders of the Group of Seven industrial states has ended in London, but the USSR president's meetings in the capital of Great Britain are continuing. Our London correspondent, Aleksandr Malikov, reports.

[Begin recording] [Malikov] [passage omitted] Receiving Gorbachev at 10 Downing Street today, British Prime Minister John Major stressed that the G-7 has fathomed the immense and complex nature of political and economic problems facing the USSR today. [passage omitted]

In his reply the Soviet president put special emphasis on the fact that history was made in London by this meeting. The event will affect the paths pursued by all of civilization. The USSR has established direct contact with the leaders of the world's major industrial powers. This is the first step toward creating a new type of economic relations. It is the basis for the creation of new irreversible political relations in the modern world.

The Soviet president gave special mention to the considerable progress attained in the process of the Soviet-British dialogue. Today, said Mikhail Sergeyevich Gorbachev, major problems of international and bilateral relations are under discussion. Without doubt, London has become a place for the continuing fruitful political and economic dialogue between our countries. A new considerable impetus has been given to good relations between London and Moscow. Important and complex work is continuing in the British capital.

Following an almost two-hour session of talks, the leaders of the two countries made brief statements at 10 Downing Street, in which they took stock of their intensive and useful discussions. This is what the Soviet president noted:

[Gorbachev] I just want to say that we have not wasted any time. Since this morning, Mr. Major and I have been contemplating what we need to do in the very near future to ensure that the process that we initiated yesterday within the seven-plus-one framework continues in real terms. The Soviet-British dialogue has a significance of its own. Everyone knows the contribution of the Soviet-British cooperation in recent years to improving international relations and unfolding the political dialogue that we witness today and that has yielded such good results. What has now surfaced is that this dialogue possesses and will assume a second dimension that is very important in connection with the instruction of the G-7 to Mr. Major. He now has one more job, or if not a job, at least he has additional duties. After all, people are paid for the posts they occupy, so his are just obligations. Since these are his new duties, which require imagination and an innovative vision in one's approaches to problems..... [changes thought] After all, a foundation is being laid for our cooperation. We have thoroughly discussed all this with the prime minister. When we met in the extended company of our delegations, we noted with great satisfaction that our ministers had discussed the same thing.

We have accepted the G-7's signals and have started acting on them. I welcome that. During these days and in the framework of my meeting with the G-7 yesterday and in the framework of my visit, the working visit today, we feel Britain's enormous desire not only to create a good atmosphere but also to do enterprising work. I thank the prime minister and his colleagues who took active part in all of this work. [end recording]

Answers Question on Relations With UK

LD1807221191 Moscow Central Television First Program Network in Russian 1800 GMT 18 Jul 91

[By reporter Ilyashenko from the "Vremya" newscast]

[Excerpts] The leaders of the USSR and Britain continued their exchange of views on the assistance of Soviet reforms by the West, by Great Britain in particular, the USSR's transition to a market economy, and specific ways in which the recommendations adopted at the G-7

meeting can be implemented. [video shows Gorbachev and Major at talks, Bessmertnykh next to Gorbachev] [passage omitted]

In the afternoon Gorbachev and Major continued talks. The foreign ministers of the two countries took part. An extensive exchange of views took place on the Near East settlement and restrictions of arms supplies to this explosive area. Questions of disarmament and security in Europe and the whole range of Soviet-British relations were also discussed.

The decisions adopted at the G-7 meeting are opening up broad opportunities for Soviet-British economic relations. Of course, the movement toward expanding economic relations with Britain would be much more dynamic if it had not kept running into difficulties that are characteristic for our relations with many Western countries. Lack of competence among many of our economic organizations and lack of confidence in the West in the guarantees for capital investment are scaring our partners. They want to know in London how far-reaching our economic reforms will be, to what extent they will be radical, and what opportunities will open for British businessmen. In London they want things to be clear. All these issues were discussed today at the Soviet-British talks. [passage omitted]

The British are to double their funding for technical and intellectual assistance to the USSR. [passage omitted] [video shows Gorbachev speaking at No. 10 Downing Street]

Here is a question from Yuriy Kobaladze, Soviet television and radio correspondent, for Mr. Gorbachev:

[Kobaladze] Can you evaluate the current state of British-Soviet relations? Have any specific agreements been attained at today's talks with John Major within the framework of the pledges the G-7 leaders have taken upon themselves?

[Gorbachev] I would like to say that our business circles have interesting proposals in store. The scope of our cooperation can become broader and deeper very quickly. There is the need to remove obstacles from the path of cooperation. Any restrictions such as COCOM obstruct us from starting up progressive projects. No one wants to engage in old projects, no one needs them.

Visit to Britain Summarized

LD1807211491 Moscow TASS in English 2008 GMT 18 Jul 91

[By unidentified special correspondents]

[Text] London July 18 TASS—A series of meetings with the leaders of the world's seven major industrialised powers today preceded the start of Soviet President Mikhail Gorbachev's official working visit to Britain.

In the morning, the Soviet leader had talks with Prime Minister Giulio Andreotti of Italy and Prime Minister Brian Mulroney of Canada, during which the post-summit cooperation between the Group of Seven (G-7) and the Soviet Union was discussed and problems of bilateral relations were touched upon.

Later in the day, within the framework of his official working visit, the Soviet president had talks with British Prime Minister John Major.

They exchanged views on the results of the Soviet president's meeting with G-7 leaders and further ways for the development of personal contacts between the leaders of states and governments.

They recognised that the role of such contacts in the establishment of a new type of international economic relations to be proved after the G-7 summit. They also touched upon some specific bilateral matters.

Major on Thursday gave an official luncheon in honour of the president of the USSR and his wife. At the luncheon, the leaders of the two countries exchanged brief toasts. The British prime minister pointed out in particular that positive changes that had taken place in the world found their reflection in the Soviet president's meeting with G-7 leaders.

Gorbachev, for his part, pointed out in a reply toast that the meetings in London signified a major landmark and served as a strong impetus along the way indicated by the 1990 charter for a new Europe.

Following the talks, the leaders of the two countries briefed journalists on the results of the talks and answered reporters' questions.

Then Gorbachev familiarised himself with the work of the British parliament.

In the evening Mikhail Gorbachev and Raisa Gorbachev paid a visit to Elizabeth II, the queen of the United Kingdom. The Duke of Edinburgh was present during the audience that took place in Buckingham Palace.

Addresses Media After Meeting Mulroney

LD1807192891 Moscow Central Television Vostok Program and Orbita Networks in Russian 1530 GMT 18 Jul 91

[From the "Vremya" newscast]

[Excerpt] Soviet President Mikhail Gorbachev met Canadian Prime Minister Brian Mulroney in London. The USSR and Canada have a fairly good service record to date in the most varied fields of cooperation, but the potential is far from exhausted. The two countries are very large in terms of territory. This in itself contains breathtaking economic prospects.

[Begin recording] [unidentified reporter] Mikhail Sergeyevich, tell us whether the emergence of the new formula seven-plus-one denotes a breakthrough in bilateral relations.

[Gorbachev] I think it does, because what has happened within the seven-plus-one framework—let us call it that, since you are recommending I use that term—represents very important political prerequisites for stepping up interaction within the seven-plus-one framework, and opens new opportunities for implementing cooperation projects on a bilateral basis more quickly and for giving them different dynamics. What I actually talked about today with the prime minister of Canada, my friend Mr. Mulroney, was the results of yesterday's meeting, but as they affect bilateral relations. [passage omitted] [end recording]

TASS Summarizes Mulroney Meeting

LD1807200191 Moscow TASS in English 1935 GMT 18 Jul 91

[Text] London July 18 TASS—President Mikhail Gorbachev and Canadian Prime Minister Brian Mulroney had a meeting in London on July 18.

In a business-like, constructive and friendly discussion, the parties examined issues of economic bilateral and multilateral cooperation within the context of Gorbachev's meeting with the G-7 leaders.

They also discussed issues connected with the projected work of the mechanism of interaction between the Big Seven and the USSR following the London meeting.

Mulroney outlined key areas of Canadian-Soviet cooperation: power engineering, agriculture, ecology, including the treatment of children affected by the Chernobyl accident, assistance in the training of personnel for a market economy.

The forms of cooperation are as follows: private investments, most favoured status in trade, credit-based trade, technical assistance.

In exchanging views about reform in the USSR, Gorbachev and Mulroney paid special attention to the most effective forms of taxation in present-day federative states and Canada's own experience in this field.

The meeting became another step towards the development of friendly Soviet-Canadian dialogue.

Answers Questions on Meeting Andreotti

LD1807191191 Moscow Central Television Vostok Program and Orbita Networks in Russian 1530 GMT 18 Jul 91

[From the "Vremya" newscast]

[Text] Today, as in previous days, one of the main topics in the media, both our own and foreign, is the meeting between the leaders of the seven major capitalist powers and the USSR president in London. Here is a video report from our special correspondents:

[Begin recording] [Reporter V. Ilyashenko] On Thursday morning the Soviet president received in his temporary residence in London, the USSR Embassy, Italian Prime Minister Giulio Andreotti. [Video shows exterior of Soviet Embassy, Gorbachev and Andreotti shaking hands in the presence of reporters inside the building]

Their conversation revolved mainly around concrete ways of implementing the decisions of the G-7 meeting. After a one-on-one conversation, Mikhail Sergeyevich and Giulio Andreotti answered jounralists' questions. [Video shows Gorbachev and Andreotti addressing journalists]

[Unidentified reporter] Do you think that the West's movement to accommodate you is proceeding as you expected or not?

[Gorbachev] I think that yesterday was a great advance. Above all, there was the political observation of the need for interaction with the Soviet Union at the current stage in which, on the basis of internal reforms, it has decided on and faces the task of organic inclusion in world economic ties. In that sense, I think that this is a very important result. If one adds that this is not confined to political analysis and observation, and that at least the initial mechanism for continuing the process has come into being, then it is all the more important. It is not just an exchange between people who have met at some seminar or symposium. I do not know about my friend, Giulio, but I have the feeling that we have initiated a great process.

[Andreotti, in Italian, fading to Russian translation] I just want to add one thing. The additional importance of what happened yesterday is also to be explained by the fact that, after President Gorbachev's thorough report and after a discussion that was very open and in-depth, we managed to achieve results that went beyond the preliminary results.

[Gorbachev] We reached the understanding that for our reform process to continue, especially now, in this phase of profound changes, we need social concord that will be accompanied by greater political stability and by the smoother functioning of all institutions of power. The process should be accompanied by growing interaction under the new conditions of the Union bodies and the republics. We need accord.

The second condition is the radicalization and acceleration of the movement toward new forms of economic life, because time must no longer be lost. That is the understanding both at the top and in society.

The third condition, a component of our action program, is the achievement of new cooperation with Western countries. If all the elements of interaction are present and they interact, then, I think, the reform process will be more successful and will more quickly provide positive results. I think that people at home in our country can calculate, assess, and regard what happened here as being positive. [end recording]

Bush on G-7 Conference

Remarks on Conference Cited

PM1907092591 Moscow IZVESTIYA in Russian 19 Jul 91 Union Edition p 5

[Unattributed report: "'I Look Forward to Visit to Moscow': G. Bush's Press Conference"]

[Text] Addressing a London press conference on the results of his talks with USSR President Gorbachev, U.S. President Bush stated that the agreement to hold a Soviet-U.S. summit in Moscow is "a graphic symbol of the consolidation of U.S.-Soviet relations."

He announced that the Moscow meeting will be held **30-31 July this year and will discuss the "five baskets of questions": bilateral and regional problems, human rights, and arms control, and also international problems, including collaboration in the struggle against terrorism and the spread of narcotics.**

"I look forward to this meeting and the opportunity it will give me to continue the productive meetings held during the G-7 conference and later during the meeting with President Gorbachev," Bush said. "The discussions were exceptionally frank and direct on both sides.

The implementation of changes in the Soviet Union will be neither fast nor easy, the president noted. The USSR is faced with colossal problems. But we believe that President Gorbachev has assumed irrevocable commitments and I should like to believe that the course along which he and the republics are proceeding is irreversible.

Bush stated that the main aim of the G-7 decision to hold regular consultations with the USSR is to determine further specific steps in collaboration on the Soviet economy's integration into the world economy. It is very important to grant the USSR the status of an associate member of the World Bank and IMF, which will provide the opportunity to receive practical advice and recommendations for accelerated reforms of the financial and economic system and the ruble's transformation into a convertible currency.

Bush said that the United States could give the USSR "enormous practical assistance in the energy field." But it is essential that Moscow "settle all details of its relations with the republics."

The President voiced the opinion that **the success of reforms in the USSR will largely depend on the conclusion of a new Union treaty and on how successfully it operates.**

Bush announced that the final settlement of the remaining technical differences on the START treaty was achieved in London as a result of frank and direct talks. "It is a good deal. Our military are certain it is in U.S. interests and this accord should sail through the Senate."

Answering a question about whether it is possible to call the USSR a U.S. ally or whether it still remains an enemy, the President said: "I believe that as long as we have missiles deployed we must be realists. Allies do not stand on such positions. We are making headway. We have friendly relations. The 'empire of evil' syndrome has disappeared with the end of the 'cold war.' I think that we are now living in utterly different times. I do not want to say that everything is ideal now. /We have problems, we have certain problems in the field of arms control, but we have come so far that at this stage I would call our relations very friendly. From our side there is a determination to render all practical aid in furthering reforms and not only internal reforms but also democratic reforms, market economy reforms."/

The President stated that financial aid for the USSR was not discussed in London.

Comments on G-7 Meeting, Moscow Summit

LD1807140791 Moscow TASS in English 1328 GMT 18 Jul 91

[By Sergey Sosnovskiy, Andrey Fedyashin, and Viktor Khrekov]

[Text] London July 18 TASS—U.S. President George Bush said on Wednesday that an understanding to hold the next Soviet-American summit in Moscow is a "strong symbol of the growing U.S.-Soviet relationship". He spoke here at a news conference on the results of his talks "with the Soviet president and the London G-7 summit.

The President said that the Moscow summit would be held on July 30-31 and discuss "the five baskets": bilateral issues, the regional matters, the human rights and arms control and transnational issues, drugs and terrorism.

"I look forward to these meetings and the opportunity it gives me to follow up on what I think were productive meetings with the G-7, certainly productive the G-7 summit, and then with President Gorbachev here for the "wrap-up of the G-7 summit," Bush said.

The Soviet president informed the G-7 leaders of plans on how to "reorient the entire economy and the social fabric of his country" Bush continued. On the other hand, the G-7 leaders set out their views on economic aid to the Soviet Union. The President stressed that the discussion was frank on both sides.

"It's not going to be quick or easy to implement change in the Soviet Union," Bush said. "It's enormous problems that they face. But we believe that President Gorbachev has made an irrevocable commitment, and I would like to feel that this course that he has embarked on, and others, and the republics are embarked on, is irreversible."

Bush said that the main reason for the G-7's decision to hold regular consultations with the USSR is to define

specific steps on how to cooperate in integrating the Soviet economy into the world system.

He emphasised that it is very important to grant the USSR associate member status at the World Bank and the International Monetary Fund, which will give the USSR a chance to receive advice and recommendations on how to accelerate reforms in the financial and economic systems and turn the ruble into a convertible currency.

Bush said that the United States can give the USSR "tremendous know-how in the field of energy".

But he said at the same time that "to do all that, there has to be a finalisation of the details between the republics and the centre".

The President expressed the opinion that the success of reforms in the USSR would largely depend on the conclusion of a new union treaty and on how successfully it would work.

He said "that the final settlement of remaining technical differences on a START treaty was reached in London as a result of frank talks. I think we always ought to be willing to reduce arms if it is in—between the two countries, if it is in the national interest of the United States."

The president noted that a START treaty would be a good deal for the United States, which is confirmed by the military.

Asked whether it is possible to call the USSR a U.S. ally or still an adversary, Bush said that, since the two countries have missiles deployed, they should be realists. The two sides are moving forward and have friendly relations.

The "evil empire" syndrome has disappeared with the end of the cold war. "I think we've got very different—very different times now. But I don't want to suggest that everything is perfect.

"We have certain arms problems, and—but we've gone so far that I would say we have very friendly relations at this point. And a determination on our part to try to help in every practical way to further reform. Because reform is not just an internal reform. It's democracy that they're moving towards, and have really manifested a real interest in.

"And as that develops, I'm just convinced that any things that have been in our way of friendship before, such as arms and our worries about each other, will diminish.

"I think trade can help an awful lot to make the climate such that the suspicion that they might still harbour in some corners of the Soviet Union about our intentions is laid to rest.

"I think there are some elements there that are still highly suspicious of U.S. intentions towards them, and perhaps there are some highly suspicious in the United States of Soviet intentions toward us. But I think we can move forward just as fast as practicality dictates on the economy."

Bush said that the London summit did not discuss any economic aid to the USSR and any specific sums of money. He noted that the Soviet president described in detail his plans of economic reforms to the G-7 leaders.

'Ice' Broken in G-7 Meetings

PM1807204891 Moscow PRAVDA in Russian
19 Jul 91 First Edition pp 1, 5

[By special correspondents A. Karpychev, T. Kolesnichenko, and A. Lyutyy in London: "The Ice Has Broken"]

[Text] Although several more important meetings in the British capital are on M.S. Gorbachev's schedule for today, 18 July, it can be said confidently that the main event, what he actually came to London for, has taken place.

The leaders of the seven leading Western industrial countries were presented with a program for profound economic reforms in the USSR, heralding not only radical changes in our society, but also the integration of the Soviet economy into the world system.

The results of the "seven plus one" meeting can be assessed in various ways. Some people are sorry, and some gleeful—and maybe that includes people in our country too—that the Soviet leader did not receive cash or credits, that he is leaving with an empty pocketbook. Others emphasize the differences among the seven in their approach to the USSR. But the most farsighted observers assess events differently.

If we try to sum up the credit side of the London balance sheet, and thus what M.S. Gorbachev will be bringing back to Moscow, there is—apart from the important dialogue with the seven—the accord on holding a Soviet-American summit meeting in Moscow, and also on signing a strategic offensive arms reduction treaty, the road to which was long and hard for both sides. All this prompts optimism. The political heights scaled by the leaders of the world's leading countries in Paris are now augmented by the London success. If Paris has in recent times been associated with a political breakthrough in the creation of a new world order, London has prepared the ground for an important economic process and become a stage along the path of creating a single world economic space.

The names of many of the world's capitals have now become, so to speak, "stages on the great journey" traversed in the years of perestroyka and the new thinking as we and the West move to meet one another.

Geneva, Reykjavik, Washington, Malta, Moscow, Washington again, and so forth. All this has now led East and West to a new level of relations. In other words, M.S. Gorbachev's numerous meetings with world leaders have resulted in quantity becoming quality. Now an entirely new process is beginning—interaction, the synchronization of the Soviet economy with world economic ties, which will direct history into a constructive new channel.

It all looks fine on paper, as the saying goes, but we and the seven still have much to do. First and foremost, we have to finally get away from stereotypes in thinking and mentality. The West, for instance, has yet to abandon entirely the search for a Soviet threat—or at least elements of it—suspicion, and remarks about "communist machinations." And some of us are haunted by the specter of the "return to capitalism," although many "isms" have revealed their pseudoscientific nature. Let us be blunt, it is not easy for us to say those two words—"private ownership." For 73 years we scorned this term, investing it with only a negative sense. It is hard to associate this concept with mankind's dream of equality. But dreams are dreams, and life is something else. We are not abandoning the dream, but for the sake of giving the economy more dynamism and efficiency and directing it toward people, we are—as M.S. Gorbachev reaffirmed in London—introducing a market economy and recognizing the equal status of all forms of ownership, including private.

It is no use thinking, as some of our economists do, that private ownership is a universal panacea. There are countries where private ownership dominates the economy, but which cannot be counted among the prosperous. It is necessary to find the optimum combination of the most diverse market components in the light of specific national characteristics, as they do, incidentally, in France, Japan, and other countries. But reforms such as price deregulation, the attainment of convertibility of the ruble, and the elimination of the budget deficit are necessary basic prerequisites for the creation of a market economy. Today they are on the agenda as not merely theoretical, but totally concrete and urgent objectives. And it is here that we particularly need a corresponding movement from the West, concrete assistance in creating the infrastructure of the market system.

The areas in which this assistance will be granted were spoken of by British Prime Minister J. Major at a press conference.

So the program here is outlined, and it is easy to see that it is based on a very sound principle: The Soviet Union must first help itself, it possesses unique resources to that end. The West, which has great experience in the market economy, is capable of giving concrete advice and suggesting how best to use our resources. The difficult work of dragging the Soviet economy out of the crisis is not going to be done for us by anyone.

Some people may find the assistance program adopted by the seven too abstract. If only they had thrown in some money—a simplistic and damaging approach. It is well known how easily we squander hard currency. It will be far better if they teach us how to use investments more effectively. For instance, when we receive special status at the IMF, we will have access to technical assistance and, in particular, the most authoritative expert assessments of specific projects. We are very good at spending vast sums on projects where the return is not commensurate with the investment, and we are accustomed to long-drawn-out construction projects and general extravagance. In collaboration with the IMF, that is impossible. We will be able to obtain Western investments and credits only for specific projects that have undergone the most rigorous technical examination by experts. Incidentally, an example from our neighbors' experience: When a well-known American millionairess of Polish extraction announced her desire to buy a famous shipyard in Gdansk, she decided to obtain an expert report—to see if the game was worth the candle. She spent virtually one-tenth of the total value of the shipyard on this. The study revealed that the deal would ultimately not pay for itself. The American gave up the venture, although it meant losing a lot of money.

The press reaction: Newspapers which only a few days ago were full of skepticism and even disillusionment, prophesying only very modest success for the meeting, today look entirely different.

Here are just a few of the headlines: "Summit Hails Historic Deal With Moscow" (THE INDEPENDENT), "Soviet Union Welcomed in From the Cold" (THE DAILY TELEGRAPH), "G-7 Starts Up Mechanism of Aid to USSR" (INTERNATIONAL HERALD TRIBUNE).

There are dozens of possible quotations, but let us confine ourselves to one. We quote the beginning of a political review in the highly conservative THE DAILY TELEGRAPH: "An historic step towards bringing the Soviet Union back into the world economy after more than 70 years of isolation was taken in London last night following a breakthrough on cuts in strategic weapons. We agree that 'the ice has broken, the ice is on the move.'"

In conclusion we would like to say that the success of M.S. Gorbachev's mission would not be so significant were it not for the fact that in recent years a special climate of mutual understanding has been created in his relationships with Western partners. And maybe this is particularly visible here in England. We feel that this country has a special place in our president's heart. After all, it was in 1984, as leader of a Soviet parliamentary delegation, that, frankly speaking, he stunned the political establishment and public in this country with his freshness of thought and new approaches to tackling international problems that seemed insoluble at that time. It was then, in 1984, that Margaret Thatcher uttered these words: "He is a man you can do business

with." It was then that the foundations were laid, if you like, for the new political thinking.

It is therefore perfectly logical that today was basically an official visit by M.S. Gorbachev to Britain. One can speak of a high degree of personal trust between our president and the new British Prime Minister J. Major. Our bilateral relations have today acquired considerable dynamism and have become a pivotal factor in the all-European process. Political contacts and collaboration in the most diverse spheres are becoming increasingly active. Suffice it to say, for instance, that it was with our help that British subject Douglas Brand was recently released from an Iraqi jail. Our help made a great impression on the British. True, not everything in the Soviet-British dialogue is cloudless. Economic ties leave room for improvement. Last year trade turnover between the two countries went down 12 percent. According to the British press the Soviet side is considerably in debt to various British firms. But the reasons for this situation lie only partly in our unfortunate economic situation and the shortage of hard currency. It must be said that at the moment British business is less active than West German, French, or Italian business in seeking cooperation with us. Here no doubt the new relations with the seven and joint steps to create favorable conditions for the functioning of Western capital could play the part of catalyst in galvanizing trade and economic contacts.

So what has M.S. Gorbachev brought away from London? Substantial baggage, whose contents are of interest not only to us contemporaries, but doubtless to future historians too. They will probably find in the formula "seven plus one" an example of the resolution of the global problems of our time.

Results of Meetings Viewed

LD1807194291

[Editorial Report] Moscow All-Union First Program Radio-1 Network in Russian at 1230 GMT on 18 July broadcasts a 28-minute edition of "Point of View," in which commentators Viktor Levin and Nikolay Shishlin recall the main events and statements of Gorbachev's presence at the London G-7 summit, and reflect on the importance of the conclusions reached there about future assistance for the Soviet economy.

Speaking about the results of the meeting, Shishlin says: "I think the results are of the utmost importance. The matter concerns international relations acquiring a new quality. Of course, this is a long and complicated process, and of course you cannot resolve everything in a few days in London, with four hours spent with the representatives of the seven most industrially developed states of the world. But, as the British prime minster, I think put it, a new movement in world politics has been launched, one that will be accompanied not only by political cooperation—that has already been achieved in the fight to overcome the cold war—but what we are talking of today is the development of economic cooperation between the Soviet Union and the rest of the world, cooperation between East and West, North and South. Naturally, we will be returning to London, we will be talking about London today, while nonetheless thinking about Moscow, since in itself, this process will start breathing strongly, will acquire real dynamism, only on the condition that the programs of radical economic reforms which have been cooking for so long in our political kitchen, in our government kitchen, are finally put on the table, and bring the results which Soviet people are waiting for, depressed as they are, of course, by the state of profound economic crisis that our country has found itself plunged into."

Levin reflects on the statements by Major and Kohl that yesterday was an historic day. But the reform program which was presented must be implemented to be of any real significance. Shishlin says that the reform package was well received, but nobody has a magic wand to put it into effect overnight. "But London confirms that the right direction has been chosen. And here a lot will now depend on our resolve and consistency, and on support on the part of various political forces of our state, our fatherland, for the line of revival that is being conducted by the country's president."

Levin agrees about the magic wand, but, he says, "you will agree that somewhere in the popular psyche the idea has taken deep root that someone, some genius or super-genius, will come along and speak, and say precisely that tomorrow he will change everything. But it does not happen like that, and these excessive hopes for easy solutions to complicated issues have to be seriously corrected right from the start. They must quite simply be overcome." Nobody attending the London meeting was expecting miracles, Levin says, quoting Major's statement at the press conference on the six main points agreed upon at the meeting.

Shishlin says that what the Soviet Union most needs is know-how. "And the system of measures elaborated in London does indeed open up access to the modern knowledge that our country, our economy, acutely needs. Yes, we have economists, we hear their names all the time, I won't name them, but what we are short of, of course, is people who know business well. We are short of people who know modern economy. We are short of people who are capable of organizing production, tying it into the market, and really stimulating the production of goods that the consumer needs." Links with the IMF, the World Bank, and the European Bank of Reconstruction and Development, as well as contacts between the experts, will be of the utmost importance in this, Shislin says. "I don't mean to say that we do not need investment. Of course we need investment, that is quite obvious. But to this end we must, naturally, implement the reforms which would make the Soviet market and the Soviet economic field attractive for the investment of foreign capital.

Replying to a point made by Levin that Gorbachev did not get any promises of actual money, and that this was not the purpose of his trip, Shishlin recalls that money and credits have been wasted in the past. "Let us say you talk to Western businessmen, who have some idea about what our national economy and our country are like. With one voice, they say that it is an exceptionally rich country, and that of course what we need is not credits and loans, that what we need is real restructuring of the whole economy, we need to really get into a market economy. And with the resources that the Soviet Union has, with the talented people that the Soviet Union has, the matter is, of course, one of organizing economic life, of totally and radically readjusting this economic life."

Levin then recalls that Major spoke of the collapse of trade with East Europe; Shishlin gives some examples of the problems caused by the hasty decision to switch to hard currency as the basis for settlements in such trade. Business know-how is needed to trade effectively in the new conditions. Shishlin goes on: "However much our politicians and our economic specialists have reasoned about shock therapy being impermissible, what do we have going on, if not shock? What do we see in the consumer market today? It is a real shock. The same goes for prices. One need not think that, for instance, it is absolute heaven now in Hungary, or Czechoslovakia or in Poland. No, it is no heaven, there is an industrial recession, unemployment is growing. All these difficulties exist, and quite dramatic ones, but against a backdrop of abundance of goods, a backgorund of saturation of the market, a background of the emergence of a new quality of life. And although these countries have not yet reached the bottom of the drop in production—the Soviet Union has not reached it either, by the way—the light at the end of the tunnel is already visible. But for us to see the light at the end of the tunnel, we need, of course, the kind of radical steps which our president has implemented by going to London and meeting face to face, as they used to say in the old days, with the leaders of the seven most industrially developed states of the world."

Levin further quotes from the London press conference the effect that a new period of cooperation has commenced, and goes on to recall that among Gorbachev's meetings with leaders was that with Bush, at which the date for the next Soviet-U.S. summit was set, the final details of the START treaty having been settled. Shishlin says that the treaty will be part of wider arms cuts, something that everybody has an interest in. "In the final analysis, it is not sane that even today, approximately 25 percent, I think, of our budget goes to military spending. Just think, is anybody now threatening the Soviet Union, is anyone threatening to attack the Soviet Union? I don't think so. This is in fact a great accomplishment of the strategy of renewal that was given birth in spring 1985. And we need to make use of this accomplishment, for the good of our own people and for the good of our own country."

Levin notes that people are not finding it easy to rid themselves of the military mentality; when Moiseyev recently returned from Washington, he said that the START treaty was in everybody's interest, then straightaway news came out that students would be subject to the draft. Shishlin says that the army is suffering a shortage of educated people; the various options will no doubt be subject to discussion. "But one thing is beyond doubt, that even at today's volume, the burden of military spending is too heavy for our country, too heavy for our economy." Levin interrupts: "And this burden is not justified. There was a time when, yes, it was needed, it was a necessity, and we resorted to these decisions. But now there is no justification for this. And they almost certainly talked about this, too, in London. In the light of the combination of the presentation by Mikhail Gorbachev to the leaders of the seven and the achievement of accord on the START treaty being ready for signing, the situation looks particularly encouraging, I would say, at the least." Shishlin agrees that "very important" processes have been started. He expects the new thrust in international relations to combine with the internal processes of democratization to result in benefits for the Soviet people.

Abalkin on G-7 Meeting

LD1807102391 Moscow Central Television First Program Network in Russian 1513 GMT 17 Jul 91

[Interview with Academician Leonid Ivanovich Abalkin by unidentified station correspondent; place and date not given; from the "Topical Interview" program—live or recorded]

[Text] [Correspondent] There has already been much speculation about the London "seven plus one" meeting. I believe that it would be a blatant oversimplification to assume that the arrival of the Soviet president would immediately open up the West's money chests and that a powerful flow of dollars would gush toward us.

[Abalkin] I believe that it is very dangerous to create such illusions and hopes, to expect Mikhail Sergeyevich to return with chests full of money. This is connected to a great extent with the fact that such moods are being whipped up, and it is also connected with some of our usual ways of doing things. For example, an international agreement on disarmament is signed. How is this shown? Two presidents met, spent two hours in conversation, then came out, signed the agreement, shook each other's hand, smiled for the television, and people believe that everything ends with this. But this is preceded by months and sometimes years of professional work, coordinating details, and so forth. It is important to get this movement under way, to begin.

In recent years we have made a major breakthrough in the political sphere. There has been the withdrawal of Soviet troops from East Europe, the implementation of a

real program of disarmament, and joint actions in the Persian Gulf—these have been events on an historical scale.

To speak about economic cooperation, we have remained on the level that existed some five or six years ago. A similar breakthrough must take place here, but it needs to be given an impetus. Then things can be moved to a professional discussion, specific calculation of possibilities, and consideration of mutual interests. What sort of interests? There is aid, humanitarian, charitable aid, and so forth; then one can appeal to people's feelings, to their nobler sentiments. But when it comes to commerce, the matter concerns looking at interests, that it has to be profitable both for us and for the West. We can expect that understanding of the progressiveness of our changes, an understanding of the difficulties that we have encountered will prompt the leaders of the West, including the seven, to get such a process started, to express common support. Although this political accord, trust, support, for social development is maybe not a material thing, it is maybe more significant than direct financial funds. It will open up new possibilities.

But, first and foremost, we have to do the most important things ourselves. Not because anyone is setting conditions, or saying we should do this, that, and the other, but because we have to make the financial system healthier, make the budget system healthier, and stop printing money without thinking. this is not a condition that anyone is setting for us, it is simply common sense. If it is a condition, it is one that is dictated by economic logic. That is what is concerned.

Apart from that, it is in order to create this atmosphere of faith in our political stability, in the achievement of social accord in the country. Without that, after all, no one is going to help, or invest funds, state or private. We have to create this atmosphere of faith in them, faith that we have firmly taken the road of democratic transformations, are focusing on human rights and freedoms, and will never go back on this under any circumstances; that having started off along the road of reforms, of reform in the economy, we will step firmly, not running, not without thinking, but stage by stage, in a balanced and consistent way, and in the chosen direction. In my view, what is important right now for the atmosphere of trust is not the speed that we move at—that, in general, would be very dangerous—but the steadfastness and the irreversibility of these changes.

[Correspondent] Credits will probably be given only if the program proposed by Mikhail Sergeyevich Gorbachev proves of interest to the West. How do you evaluate this program?

[Abalkin] The matter concerns not the fact that the president is bringing a new program, because he is not bringing a new program. He is bringing new ideas about the development of broad mutually beneficial cooperation based on integration, organic inclusion of the Soviet economy into the world economy. This means the creation of an open economy, free movement of capital, goods, labor, scientific and technological information and achievements.

He is taking with him a whole number of practical programs that he is prepared to propose, to put them on the table; programs of conversion, of developing the fuel and energy complex, programs that are of interest for the whole world—environmental protection, programs for developing the food complex, and a number of others. But these are not programs in which conditions are set out.

He would like to propose a new understanding. This is not a question of aid, because I have already mentioned that when private capital invests money in the development of the Soviet oil and gas industry, it may maintain that it wishes to help but, in fact, it wants to make profits. This is normal; we too want to make profits on this, and by using these profits we would like to re-equip our health service, light and food industries.

As regards the meeting with political leaders, I think they will be speaking the language of big politics, especially as they are quite wise, experienced and responsible politicians and, or course, they need confidence, primarily, in the stability of our state—that it will not collapse—and in the stability of our political structures, in guarantees against all sorts of surprises and turnabouts, because an unpredictable policy is very dangerous. They need confidence.

It is not that they just wish to listen to the president's report. He is not going there to give a report. He represents a great power, too, one of the powers that founded the United Nations, a guarantor of international security and nonproliferation of nuclear arms, a country with enormous natural resources, labor potential, scientific, technical and intellectual potential. It is very important to dispel the atmosphere of suspiciousness and mistrust although, I believe, that similar steps from the other side are always required here.

We are prepared to agree to reductions in the strength of our Army and the numbers of weapons, and so forth, but we would like to see not just an approving slap on the back but also some kind of reciprocal steps and actions. We are prepared—we have already done so—to agree to a general ending of nuclear weapons tests. But let's have a reciprocal step. Maybe we'll have an agreement, and then many ecological problems will be resolved. I don't believe it'll be like a teachers' meeting to deal with an errant pupil. It'll be a meeting of experienced leaders, judicious in their assessments and conduct, which could yield an opportunity for paving the way for very broad actions from the viewpoint of an exchange of people and ideas. Of course, we can sense how painful and acute the economic problems are. Our urgent tasks need to be understood.

[Correspondent] Haven't we repeated too often the magic phrase, the West will help us, with the result that we have started to believe it? Do you think there is a realistic chance of getting, if not $30-$35 billion over

three years, then at least some sort of substantial credits and investments for the development of the economy and for tackling our economic difficulties? Or is this just wishful thinking and utopian hopes?

[Abalkin] There are several quite different things here. I have mentioned the first thing, the granting of credits to us. Or the government in some country agrees to guarantee that if food or medicines are supplied to the Soviet Union this will all be paid for to schedule, and if the Soviet Union runs into some sort of difficulties, the government will guarantee the private firms—it is private firms that will supply all these things—that payments will be made on time. This is genuine direct aid on a comparatively small scale. That's the first point.

The second category is investments that can be channeled—we expect and need them—into the development of the oil and gas industry, oil and gas recovery and refining, the modernization of the metallurgical industry, and the implementation of conversion programs, which would permit us to organize our own production of video equipment, modern television sets and electronic consumer goods of various sorts. These programs will, I think, be implemented practically wholly through private capital on some sort of mutually advantageous terms, and we can expect...[Abalkin changes thought] If they know that these funds can be invested safely, that they won't subsequently be nationalized and they won't lose their property, and that they can freely use the profit they thereby earn. These are different sums. They cannot be calculated. This will be discussed in the context of specific projects. These sums could, of course, reach vast proportions. But, of course, it's not a question of investing tomorrow and getting a return the day after. The modernization program is fairly long-term.

Finally, there is a third area of interest to the West and of no less interest to us: the restoration of ruble convertibility. How will profits be repatriated? They sell the goods inside our country, they earn rubles, and what are they to do with them then? Take them home? Saving them up isn't a very good idea. So convertibility has to be achieved.

That means it is necessary to implement convertibility. That means what is necessary here is not aid, not credit, not the investment of resources, what is necessary is a stabilization fund. So, most likely an international institution, the International Monetary Fund, will set up a stabilization fund which guarantees the exchange of rubles for hard currency for citizens of their own and foreign countries and for enterprises. So you can go in, hand in rubles and receive dollars.

But I repeat that all of this, just like life, is mutually dependent. If there is stability there will be money. The firmer the stability is the more money there will be. If there is no stability there will be no money. There will not be any if we begin each time to threaten each other at the top of our voices and wage wars between the ambitions of political programs, forces, and movements, there will be nothing at all.

[Correspondent] It is no secret that Western investments and credits have disappeared as a rule like water into sand. In general, they have not helped to resolve our problems. Is it possible for Gorbachev to give such guarantees in London today that the credits, this money, will really be put to effective use and not be used for some hypothetical and unrealistic projects?

[Abalkin] To say that such guarantees have already been created would, of course, be premature. There have been a number of positive changes. These include the legislation that has been adopted, that is the first thing. The second change is the Novo-Ogarevo process: this is very strong and influential progress. The hope for the relatively rapid signing of the Union treaty with the clear definition of the functions and powers of the center and the republics, that is the third thing.

But, of course, the path toward such a reliable mechanism and its guarantees is still very complicated. Gorbachev may give an account of the part of the path which we have traversed in this respect. I believe that he is prepared to do even more.

There is international practice, for instance, major investments are made in the oil and gas extraction industry. Some sort of institution is created, a consortium, for example, with the participation of a number of West European banks, Soviet banks, our independent oil extraction companies with a joint management which, on a collective basis, examines a project, assesses it, pays for an expert study by independent specialists about the value and feasibility of this project. That is, there is international practice of joint management of programs. That is what we must go in for. That is trust.

[Correspondent] You speak about participation, but this could be described differently as economic pressure, economic expansion, and interference in our affairs. Is this a real danger, or is it just conjecture?

[Abalkin] Of course, there are forces that have a direct interest and see that in some spheres the USSR could be a competitor, and they have a direct interest in trying not to allow this competitor too much, because the world market is not standing waiting for us.

But if we take things on the whole on a large scale, then all the same the West has an interest in a stable and satisfied Soviet Union, because that is also a guarantee to a certain extent: a satisfied country is not inclined to extremist strivings and manifestations of aggression. It has an interest in a sufficiently powerful economic Union, too, because the exclusion of a competitor like the USSR is a factor which will slow down the technical quest. That is, if one thinks...[Abalkin changes thought] I hope that the leaders of the seven and Gorbachev who are taking part in the meeting are people of such breadth who think in categories of the world order, civilization,

mankind—without this it is imposible to become a political leader in any country—and that they are capable of recognizing these realities and prevent ...[Abalkin changes thought] I, for one, do not see them as having such intentions. If there are such cases—well, my God, the world is complicated!

Prospects for Possible Western Financial Aid

91UF0990A Moscow SOVETSKAYA ROSSIYA in Russian 16 Jul 91 First Edition pp 1, 3

[By O. Cherkovets, candidate of economic sciences: "Hope or a Mirage. To the Forthcoming Meeting of the USSR President with Leaders of the Leading Countries of the West"]

[Text] "Will the West help us?" Waiting for an answer to this question from London, politicians and academicians have held off on their commentaries, and new staff ideologists are now energetically publicizing the "return" of our economy to the world economy, but "under somebody else's steam."

The subject of "return" requires a special discussion. It would seem that we did not "leave" there previously, since in world economic ties we held the position of one of the most reliable partners, even if it was not a position appropriate to a great power. The renowned NEW YORK TIMES wrote about our country as early as 1933: "From a financial standpoint the Russians are more reliable than Wall Street." And it is known that in the world which some of our commentators and politicians avidly describe as civilized, a partner's reliability is valued many times more highly than any export potential. True, our reliability has changed in recent years. This is something to think about.

Now, however, the discussion is about something somewhat different. After 17 July the world will finally know whether or not a "rain of dollars" will pour down on our country, and if it does, precisely how many dollars it will bring.

Judging from preliminary statements from foreign and domestic politicians and specialists, which are becoming louder and louder, it will not be a heavy downpour. The West basically intends to limit itself to methodological and technical assistance to our country during the designated transition to the market. This is not merely a matter of caution or, God forbid, closed-fistedness. This behavior is dictated not least of all by the capabilities of the countries of the seven.

At the end of 1989 in the economic and political lexicon of the West (and the East as well) there appeared the term "second Marshall Plan." This plan refers to the rendering of large-scale Western aid to the countries of East Europe but, unlike the first plan, this one has ended before it began. French specialists are saying that "such a plan would be too difficult to implement." As was noted in the magazine INTEREKONOMIKS, which is published in Hamburg, a simple conversion in terms of buying power in today's prices of the sums which during 1947-1951 comprised the aid within the framework of the Marshall Plan has shown that today this sum would amount to $40-$50 billion. And if one is to evaluate the "second Marshall Plan" in terms of its goals, that is, to keep in mind the task of a radical technical retooling of the industrial potential of the countries receiving the aid, THE LONDON TIMES thinks that under today's conditions it would be necessary to spend no less than $400 billion.

At the same time let us pay attention to the fact that a direct comparison is being made with a plan that was merely intended to restore an economy within the same social system. But what about the colossal social and psychological costs which will inevitably arise if we are talking about eliminating the existing system? What might such a caprice cost those who will be financing it?

Let us take just one example for which we already have more or less precise calculations. I am speaking about the former GDR, whose territory after the reunification with the FRG was given the name "eastern lands." The American TIME magazine gave a preliminary estimate of the expenditures from Germany's federal budget required to bring the eastern lands into the market economy in a situation where in reality the social system is being replaced and one economic system is being absorbed by another. According to preliminary estimates, for the period up to the year 2000 all this will take no less than $775 billion, including $20 billion for the modernization of telecommunications equipment in the eastern lands and $155 billion for the modernization of production equipment and the creation of new industries. And there are expenditures of a purely social nature: payment for unemployment benefits in the eastern part of Germany (and in the next few years the overall number of unemployed here could reach 3 million) will take from $50 to $100 billion. And this is just for the former GDR with its population of 17 million.

Is it possible for a sum comparable to this to come from the West for the other countries of the East European region? The case with relations within Germany is special, as it is with the financial capabilities of the FRG itself (although, as it turns out, they are far from limitless). Other countries of the region at the end of last year, according to plans at the time, would have had to receive (all together): $2.5 billion from the International Bank for Reconstruction and Development (IBRD) and $700 million from the EEC. And according to EEC plans, right before the beginning of last winter just the current financial needs of Bulgaria, Hungary, Poland, Romania, and Czechoslovakia exceeded the total amount of Western aid coming in through all channels by $8.5 billion.

So what can such a gigantic country as ours expect from the West? As early as July of last year, during a meeting with Italian Prime Minister Andreotti, our president mentioned $20-$40 billion in foreign credits which were

supposed to serve our country as a basis "for maneuvering along the path to a market economy." We are still waiting for those billions.

But in the spring of this year our leadership's social and economic policy reached such an impasse that it was again necessary to ask for emergency aid from the West, but on a much larger scale this time. The "Harvard Mission" of G. Yavlinskiy, whose authority and whose very position are more than vague, ended with the appearance on the pages of the international press of a request for aid in the amount of about $30 billion.

What was the overall sum of requested aid? They say it was $30 billion a year for five years, maybe even more. But will they give it? Where will the Soviet Union get what its small neighbors cannot get? What kind of miracle are the authors of the "Yavlinskiy plan" hoping for? There can be only one answer to this riddle: It is being suggested that the West spend money to achieve political-strategic goals which will make up for the costs.

Are there any confirmations of this conclusion? Let us turn to the American press. Here is what Columbia University economics professor P. Desai, author of the book "Perestroyka in Perspective," writes in the NEW YORK TIMES: "Such a 'Marshall Plan' ($30 billion a year for five years) is not very likely. To assume that it will be adopted on the basis that the Soviet economic reform in and of itself is reward enough for us is simply unrealistic."

It could not have been said more clearly. Even the wealthy America has no extra money right now. Will there ultimately be help for our economic transformations? It is risky to become involved. Look, for example, at what A. Rosenthal writes in the NEW YORK TIMES: "The West has no right to overthrow (!) Gorbachev's government in the Kremlin or to organize a conspiracy against him. But neither do we have the right to intervene by giving significant aid in order to prolong the existence of the present government, which has been digging its own grave for years now." This is crude, of course, but, as they say, you reap what you sow. We can be grateful that they do not advise intervening in our internal affairs.

In another article in that same newspaper L. Uchitel [name as transliterated], referring to a highly placed banking executive, notes: "The Soviet leadership...must not only resolutely implement the plan for market liberalization but it must **also persuade its citizens to take on all the burdens the changes bring with them** (emphasis mine—O.Ch.)." This is already direct "advice" to act "resolutely" in dealing with our own citizens. What this can lead to is well known from the example of many Third World countries whose governments did not fail to show "resoluteness" in dealing with their protesting hungry workers whose standard of living had dropped several-fold. It is a pity that this "advice" is not heeded by the tens of thousands of participants in "democratic" rallies shouting Hurrah to the "free market" and economic "liberalization"!

Finally, the last remark: What if suddenly there were a miracle and we were to receive some considerable sums of money? Then the question would inevitably arise: To whom is this to be repaid and how? Interest on large loans will also be considerable. It is known that this year our country had to pay foreign creditors $12 billion in interest alone. Where will future generations of Soviet people get so much money? So maybe it will not be such a bad thing if they do not give us any money after all?

Bessmertnykh Activities in London Reported

Interviewed on G-7 Meetings

LD1807213291 Moscow TASS International Service in Russian 1737 GMT 18 Jul 91

[By unidentified special correspondent]

[Text] London, 18 Jul (TASS)—The talks in London showed that, on the whole, the leading industrial powers are in favor of giving the assistance that is within their power to reforms in the Soviet Union, to the transition of the Soviet economy to market principles, and, most importantly, to the most active integration of the Soviet economy into the world economic process. This was pointed out by USSR Foreign Minister Aleksandr Bessmertnykh in his interview with a TASS correspondent, during which he shared his impressions about his meetings with the heads of the foreign affairs departments of the G-7 countries.

The minister stressed that representatives of the seven countries showed a certain interest in specific programs that were outlined by the USSR president. This includes cooperation in the fields of power engineering, transport, environmental protection, development of industry dealing with production, storage and distribution of food, and other areas.

According to Bessmertnykh, Japanese Foreign Minister Taro Nakayama openly announced that his country has a great interest in developing cooperation in the fields of power engineering, the gas and oil industry, and construction and exploitation of oil refineries.

Thus, the Soviet foreign minister pointed out, if we are to sum up the discussions that have taken place, we can say that interest in cooperation with the Soviet Union is growing. In addition, virtually all the participants in the discussions are in favor of more active participation of the Soviet Union in international economic organizations. However, opinions on this issue are divided. Some are in favor of the USSR becoming a full-fledged member of all the international economic institutions, while others think that this process should proceed step by step. There is a certain discord as far as this matter is concerned, but, in the final analysis, one

idea stands out: The Soviet Union must become a natural, integral part of world economic processes.

Referring to the talks he held in London with the U.S. Secretary of State James Baker and Brent Scowcroft, assistant to the President for national security affairs, Bessmertnykh pointed out that at these talks they managed to undo the last knot connected with the strategic offensive arms treaty. This involves the issue of throw-weight as a category of defining new types of ballistic missiles. The agreement achieved opened the path toward concluding the treaty and, therefore, toward holding a summit between the presidents of the USSR and the United States, which will take place on the last two days of July.

According to the Soviet minister, the delegations in Geneva have been given instructions to prepare the text of the treaty for signing in Moscow. Considering that this is a really phenomenal treaty, not only in content but also in volume—over 1,000 pages—the experts still have to finalize legal formulas and synchronize the English and Russian texts. He pointed out that the forthcoming summit will be a full-scale one, so it is necessary to draft and prepare a number of other bilateral agreements for signing, including those in the field of economic cooperation. An enormous amount of work, day and night, still lies ahead to ensure the success of the summit.

Holds Talks With Hurd

LD1807203491 Moscow TASS International Service in Russian 1901 GMT 18 Jul 91

[Text] London, 18 Jul (TASS)—Negotiations between USSR Foreign Minister A. Bessmertnykh and British Foreign Secretary D. Hurd took place within the framework of the USSR president's visit to London.

The most acute international issues were discussed. The assessments of the progress achieved by the USSR and the United States, cointiators of the calling of a peace conference, in the settling of the Near East problems were compared. Problems that are yet to be resolved were identified.

While discussing the situation concerning Iraq, the ministers expressed hope that problems that have arisen because of the execution of Resolution 687 of the UN Security Council will be eliminated in the near future.

D. Hurd expressed his gratitude for the assistance rendered by the Soviet Union to those British nationals who found themselves in a very difficult situation in Iraq.

During a review of European affairs, emphasis was placed on the importance of the CSCE process, which is gaining strength. The evolution of the bloc structures that have been preserved in Europe was discussed in light of overcoming the division of the continent.

D. Hurd shared his impressions of his recent trip to South Africa. A mutual wish was expressed for the success of the political dialogue directed toward a final breakdown of apartheid in that country.

There was an exchange of views on a number of vital aspects of the disarmament topic: the limitation and reduction of conventional arms supplies, the banning of chemical weapons, and nuclear nonproliferation.

The ministers noted with satisfaction the good state of Soviet-British relations and discussed several specific questions of the development of Soviet-British ties.

D. Hurd confirmed the invitation to A. Bessmertnykh to pay an official visit to Great Britain in the autumn of 1991.

Churkin Interviewed on START Agreement

OW1807143491 Tokyo NHK General Television Network in Japanese 1238 GMT 17 Jul 91

[Interview with Vitaliy Churkin, chief of the Information Administration of the Soviet Foreign Ministry, by NHK commentator Jiro Hirano and NHK's Moscow correspondent Kazuo Kobayashi in a London studio with Churkin, and NHK anchorman Tadashi Sonoda in a Tokyo studio—live; from "News 21 Special" program on results of the London summit; Churkin speaks in Russian with superimposed simultaneous translation in Japanese; translated from the Japanese]

[Text] [Sonoda] We have Mr. Churkin, chief of the Information Administration of the Soviet Foreign Ministry, as our guest in our London studio. Let us interview him regarding the results of today's U.S.-Soviet summit talks.

Mr. Churkin, it appears that the United States and the Soviet Union have achieved an accord on Strategic Arms Reduction Talks [START]. What is the Soviet side's comment on the accord?

[Churkin] The START negotiations have finally been completed after a series of preliminary talks over the past decade. START is the world's first nuclear arms reduction accord. It is quite remarkable from a global standpoint since it will control the strategic arms of both the United States and the Soviet Union. It will result in not only stabilized U.S.-Soviet ties, but also in worldwide disarmament, most significantly in Europe and Asia.

[Kobayashi] Does the completion of START mean that Mr. Gorbachev has succeeded in persuading the Soviet military authorities to accept the agreement? I mean, can we regard the accord as a sign that his leadership has been strengthened so that he can overcome strong pressures from the military authorities?

[Churkin] We have settled every difficult question we have been faced with. I think that even the U.S. side will face problems in obtaining congressional approval of the START accord drawn up between Foreign Minister Bessmertnykh and commanding officers of the U.S.

Forces. From my viewpoint, each leader should settle such problems as everyday issues of domestic affairs. I am happy with the fact that the START is almost settled between the two leaders.

[Kobayashi] It seems that you are presenting a very optimistic viewpoint as the Soviet Union's official spokesman. In fact, however, there are severe conflicts between conservatives and liberals in your nation. Under such circumstances, what significance does Mr. Gorbachev attach to the U.S.-Soviet summit talks? Are they helpful for Mr. Gorbachev in stabilizing his political power?

[Churkin] Of course, the summit results will help him a lot. The two nations have been seeking dialogue for several decades, and disarmament and defense expenditures reduction have always been their primary concern. Diplomatic achievements strengthen political leaders. As a matter of course, the summit results will be reflected in the domestic politics of both nations because both President Bush and President Gorbachev are facing election next year.

[Hirano] I would like to ask you about the relationship between the START accord and President Gorbachev's meetings with leaders of the Group of Seven [G-7] nations. Some G-7 leaders have indicated that the promotion of economic assistance to the Soviet Union is questionable since your nation still lavishes defense expenditures despite its economic reform policy. Can we regard the START accord as the Soviet Union's great commitment to accelerating the conversion of its military industry to civilian industry? To what extent will military industry be converted to civilian production?

[Churkin] While I cannot give an accurate forecast right now, the START accord will certainly serve as one of the factors in accelerating industrial conversion. The Soviet Union has substantially reduced defense expenditures in the last three to four years, and drastic cutbacks were imposed on the nation's output of primary armaments. To accelerate industrial conversion, the Soviet side will improve relations with Western nations, especially those with Japan. Japanese and U.S. delegations are currently visiting the Soviet Union, and such exchanges will greatly contribute to future international relations.

[Hirano] Another question: Did the Soviet side make any undesirable concessions in the START negotiations to obtain economic assistance from Western nations?

[Churkin] Absolutely not. There is no connection between the two issues, and both the Soviet side and the U.S. side have never tried to discuss the two issues together. G-7 nations decided to invite the Soviet leaders only two months ago, and the START has been discussed for a much longer period of time.

[Kobayashi] President Gorbachev's meetings with G-7 leaders are now the object of world attention. From your observations of the president in the past couple of days, is he planning any new proposals for the meetings?

[Churkin] In my personal view, new proposals are likely to be made during positive exchanges of opinions. Such proposals may be made from any side. President Gorbachev's recent letters to G-7 leaders has provided outlines of focal points, and all sides will discuss their pending questions such as the Soviet Union's economic potential, and the G-7 nations' assistance to the Soviet side.

[Hirano] We are looking forward to the START signing ceremony in Moscow later this month. Thank you very much, Mr. Churkin.

United States & Canada

Commentary on Bush-Gorbachev Summit

LD1807151391 Moscow Radio Moscow World Service in English 1210 GMT 18 Jul 91

[Commentary by Yuriy Solton]

[Text] A Soviet-American summit is to be held in Moscow on 30th and 31st of this month. That was announced at a news conference of President Gorbachev and President Bush in London after a working lunch on Wednesday, where they had settled in principle all the issues relating to the START Treaty on strategic offensive armaments. Details in the following commentary from Yuriy Solton:

President Bush called the accord on holding another summit a symbol of stronger Soviet-American relations. I think there is no exaggeration in that phrase. This is a reflection of the positive changes taking place in the world, despite the great complexity of the state of affairs, despite the critical situations that appear sometimes.

The Soviet-American relations are the key to stability on the world scene. It is important that the leaders of the two countries realize their responsibility and the heavy burden they shoulder. The START Treaty has become the test of the sincerity of their intentions to go further along the path of partnership. It might have taken the experts many more months, and possibly years to coordinate the outstanding technical problems. It has taken determination, boldness, and far-sightedness to remove the obstacles to completing the work on the agreement.

The treaty on reducing by 30 percent the most deadly nuclear arms must now be ready for signing in Moscow at the end of the month. Who has outplayed whom? This is not an idle question. Both in the Soviet Union and the United States there are influential forces that regard with suspicion the desire of the two countries' leaderships to promote partnership. President Gorbachev gave a clear answer at the London news conference:

[Begin Gorbachev recording in Russian, fading to English translation] We will achieve nothing either today or tomorrow in building new international relations, a new security system, or in the balance of interests, if we act one toward the other from the position who throws whom on the two shoulders. Indeed, that [as heard] this is movement one toward the other in the interests of our two great states and peoples, and I hope that what is to be held in Moscow is in the interests of the entire humanity, which can give a sigh of relief and think about us having moved even further away from the menace of nuclear war. This is our common victory. [end recording]

This is the opinion of the Soviet president, shared by President Bush, who said at the news conference that the relations between them were friendly. The syndrome of the evil empire had disappeared with the end of the Cold War. Not everything was now ideal, of course. There remained certain problems in arms control. But the advance has been made so far that at this stage the relations between the two countries could be called very friendly.

At the summit in Moscow, apart from disarmament, the two presidents will discuss bilateral and regional problems, human rights and transnational problems, including joint efforts in the combat against terrorism and the spread of drug abuse. Eleven agreements are expected to be signed. There is hardly any doubt that the Moscow summit will strengthen the ties between the two countries and will improve the world situation.

Paper Criticizes U.S. Military Goals

PM1907083791 Moscow SOVETSKAYA ROSSIYA in Russian 18 Jul 91 First Edition p 5

[Article by G. Gromov: "Sights on the World. What Is New in the 'New U.S. Military Policy'?"]

[Text] The changes of recent years in the USSR and East European countries were greeted with undisguised satisfaction in the United States. However, the reasons for this reaction differed among representatives of different circles. Whereas the majority of Americans sincerely welcomed the democratic transformations in our country and in other countries, representatives of military circles were unable to hide their exultation at the weakening of the Soviet Union's military potential as a consequence of the elimination of the Warsaw Pact, the internal economic difficulties, and the unilateral reductions in the Armed Forces. At the same time it was repeatedly emphasized both in Defense Secretary R. Cheney's speeches and in statements by other high-ranking Pentagon spokesmen that the reason for the changes in the USSR and in East European states was the implementation of a rigid "position of strength" policy by the United States and its allies during 40 postwar years.

The way in which the present U.S. leadership, which has stated its intention of building a "new world order," sees this country's role in the present changing world is borne out by President G. Bush's statements in just one of his speeches—"On the State of the Union," which he delivered in Congress 29 January this year. "Today we lead the world"; "U.S. leadership has helped to achieve..."; "today, in a changing world, U.S. leadership is absolutely essential"; "we have a unique duty to accomplish the difficult cause of freedom"; "the United States bears the brunt of leadership... and among the countries of the world the United States alone possesses the moral weight and the means to reinforce this"; "we are the only country in the world to have been able...." Other members of G. Bush's administration also regularly make similar statements.

Mindful of the "changing international situation" or, rather, of the demands of the public and of Congress to reduce military spending under conditions when the Soviet Union is pursuing a policy of disarmament, the

Pentagon leadership has decided to make amendments to its military doctrine and strategy and also to the plans for building the armed forces. As regards military strategy, on careful study of statements and official documents published by the U.S. Department of Defense it turns out that its essence remains as before—"to ensure effective deterrence [sderzhivaniye] by means of intimidation [ustrasheniye], a U.S. military presence in key parts of the world, and an effective response in a crisis situation." Defense Secretary R. Cheney cites these words of President Bush in his annual report to Congress on the Defense Department's military budget for fiscal 1992 and 1993, submitted in January of this year, as a definition of the aims and tasks of U.S. military strategy. There is practically nothing new in it, but, to judge from a whole number of statements by administration spokesmen, the United States is now placing ever greater emphasis on the global nature of its intimidation and deterrence.

At the same time it must be pointed out that there has recently been a lot of talk in the United States that in connection with the practically almost complete elimination of the threat from Soviet conventional forces the Pentagon is redirecting its military strategy toward a response to crises and seats of instability in the third world. However, the aforementioned defense secretary's report ranks the main threats to U.S. national security in terms of importance as follows: "the threat which the Soviet Union's nuclear potential has long posed" and then "the threats of various kinds to regional stability." Thus, although they no longer call us enemy no. 1, as used to be the case, they still regard us as the chief threat to the United States. It is characteristic that, now that relations between the two countries have improved, treaties have been concluded in the arms reduction sphere, and progress has become apparent in many spheres of cooperation, new arguments are being used to maintain the Soviet threat bugaboo at a "proper level." In addition to mentioning the USSR's nuclear weapons, which, according to General C. Powell, chairman of the U.S. Joint Chiefs of Staff, "are capable of physically destroying the United States within 30 minutes," the thesis that our nuclear missiles could possibly fall into the hands of extremists and that the nuclear arsenal could be shared out among the republics as a consequence of the USSR's disintegration—which could pose a threat to U.S. security—is being pushed hard. Despite the Soviet leaders' repeated statements that the country's nuclear weapons will remain under unified control and that all the necessary measures have been taken to prevent possible attempts by extremists to seize nuclear installations, the Pentagon is continuing to maintain an atmosphere of uncertainty over the future of Soviet nuclear weapons. The reason for this is obvious—there is a threat, and so means are needed to neutralize it, and it is necessary to implement new military programs and create new weapons.

This same aim seems to be pursued by the fanning of the question of the growing threat to U.S. interests in the third world. Instability, crises, and territorial and ethnic conflicts escalating into armed clashes have long been characteristic of developing countries. However, it is precisely now that the diminished threat of confrontation with the Soviet Union is acknowledged that the U.S. military leaders are speaking of a threat in the third world and of the need to have all the means to control the development of the situation there.

Of course, the Pentagon realizes that, under conditions when the threat of world war is easing and the Soviet Union is engaged in resolving internal problems, the U.S. Congress will not allow an increase in military spending and the preservation of the vast military machine in its present form. In this connection the Department of Defense has submitted a plan to reduce spending during the period from fiscal 1992 through fiscal 1996, which provides for a reduction in appropriations for military needs from $283 billion in fiscal 1992 to $278.5 billion in fiscal 1996 (at current prices). In practice—in forecast constant 1992 prices—this will mean a reduction in the military budget by approximately 3 percent a year. It is also planned to reduce the strength of the armed forces by approximately 500,000 men.

At the same time the military building plans propose a reorganization of the U.S. Armed Forces by creating four joint commands: strategic nuclear forces in the Atlantic zone (embracing Europe, Africa, and North and South America) and the Pacific region (its zone of responsibility will also include the Indian Ocean) and rapid deployment forces. This means in practice that the reorganized U.S. Armed Forces will still be called upon to resolve the same tasks as now: to ensure nuclear intimidation of any likely opponent and the possibility of making a strike against him with strategic nuclear means; to exercise military control over the entire planet, since the zone of responsibility of the two regional commands—in the Atlantic and in the Pacific zone—will include practically the entire globe; to ensure the rapid buildup of a grouping of the U.S. Armed Forces at any spot on the planet "where a threat to U.S. national interests might arise." In addition, the United States intends to preserve significant forward basing of its armed forces and to stockpile additional large stocks of weapons and military hardware on the territories of other states.

In parallel with these measures the Pentagon plans to considerably increase its potential for moving contingents of rapid deployment forces to any parts of the world—which will enable the United States to create sizable troop groupings within a short space of time and effectively influence processes taking place in these regions.

U.S. Defense Department plans devote special attention to the development and creation of new types of arms—nuclear, conventional, exotic. The United States is seeking to make the maximum use of its discoveries in

the sphere of the latest technologies to achieve overwhelming superiority in its own arms' quality characteristics over the arms of any potential opponents.

Thus, the only new thing in the "new U.S. military policy" is the fact that the United States intends to achieve its old aims—to play the predominant role in world politics and lead the world—with the help of somewhat reduced armed forces, whose combat readiness, mobility, and firepower will nonetheless increase constantly.

Conference on Regional Conflicts Ends

LD1107194991 Moscow TASS in English 1858 GMT 11 Jul 91

[By correspondent Vasiliy Titov]

[Text] Moscow July 11 TASS—The group on regional conflicts within the framework of the Dartmouth Conference ended its meeting in Moscow today with a general debate on "changes in Soviet-American relations and regional conflicts".

Some 20 scholars, political scientists and public figures from the Soviet Union and United States discussed ways to resolve local conflicts in South-Western Asia, the Middle and Near East and in Africa.

"Our meetings were frank and open. We had a chance to discuss issues on the agenda in a more open spirit than is usual at official meetings. Although certain differences remain, we can say that progress was made in forging a new dialogue between our countries," Hal Sanders of the Brookings Institution told TASS.

China

Yao Gang, NPC Delegation Visit

PM1807155191 Moscow IZVESTIYA in Russian 18 Jul 91 Union Edition p 4

[TASS report: "Official Announcements"]

[Text] A delegation from the Chinese National People's Congress [NPC] Foreign Affairs Commission headed Yao Guang, member of the NPC Standing Committee and deputy chairman of the commission, visited the Soviet Union 8 through 15 July at the invitation of the USSR Supreme Soviet.

During the stay in Moscow the PRC delegation was received by I.D. Laptev, chairman of the USSR Supreme Soviet Soviet of the Union, and A.S. Dzasokhov, chairman of the USSR Supreme Soviet International Affairs Committee. Talks and meetings were held between Soviet and Chinese parliamentarians in USSR Supreme Soviet committees and commissions. The Chinese guests also spent time in the RSFSR [Russian Soviet Federated Socialist Republic] Supreme Soviet Committee for International Affairs and Foreign Economic Relations. Apart from Moscow, the delegation visited Leningrad and Novgorod.

Kazakhstan's Nazarbayev on Trade With China

PM1807153091 Moscow IZVESTIYA in Russian 17 Jul 91 Union Edition p 6

[Report by IZVESTIYA correspondent Yu. Savenkov from Beijing, incorporating account of interview with Kazakh President N. Nazarbayev—date of interview not stated: "Nursultan Nazarbayev: I Have Faith in the Prospects for Cooperation With China"]

[Text] Beijing—In the Diaoyutai residence for important guests, Jiang Zemin, general secretary of the CPC Central Committee, welcomed Kazakh President N. Nazarbayev and spoke with approval of the republic's stance in advocating unity for the Soviet Union and national consensus.

As the official agency XINHUA reports, the Chinese leader noted that the normalization of PRC-USSR relations favors not only the development of good-neighborliness and friendship between the two countries, but also the preservation of peace in Asia and throughout the world. N. Nazarbayev spoke of the readiness to continue efforts to strengthen friendship and cooperation with China. Kazakhstan, the president stressed, has a particular interest in a stable political and economic situation on both sides of the Soviet-Chinese border.

The central Chinese authorities were very interested in the official visit by the president of Kazakhstan to the Xinjiang Uygur Autonomous Region of China at the invitation of the local government (the republic borders on this region and is successfully developing cross-border ties).

This is what N. Nazarbayev told your correspondent:

"When I received an official invitation from the government of the Xinjiang Uygur Autonomous Region (which, incidentally, has already sent a delegation to Alma-Ata), I wrote a letter to Li Peng, premier of the PRC State Council, asking him to give me the opportunity for a tour of the country, including a visit to the Shenzhen economic zone in the south of the maritime province of Guangdong. For Kazakhstan this is of practical interest, since we are on the point of creating a similar zone.

"Furthermore I proposed to the premier a number of concrete ideas for mutually beneficial cooperation between Kazakhstan as a sovereign state and the PRC. One of the main ideas is more efficient utilization of the main railroad between the USSR and the PRC, which runs through Kazakhstan's territory. As you know, last fall, in the region of the Dzungarian Gate, the international main line was linked up at the crossing from Druzhba (USSR) to Alashankou (PRC). The shortest rail route from Europe to China, via Kazakhstan, became a

reality. This main line reduces China's route from the Pacific Ocean to Europe by nearly 5,000 km. And the journey from Beijing to Moscow has become shorter.

"If our talks with Iran culminate in success," N. Nazarbayev went on, "the construction of a new 320-km sector will begin, which will make it possible to cross Kazakhstan to reach the Near East and the Mediterranean. But there is a short single-track section on Chinese territory, which to some extent delays the flow of freight from inside that country. It must be modernized. But in the main the economic benefits of the updated railroad are obvious.

"I also proposed that we consider the idea of extending the Alma-Ata to Urumchi air link—which opened two years ago—to Beijing and beyond, to South Korea and Japan."

N. Nazarbayev noted the Chinese leaders' exceptionally great interest in his visit and ideas. Premier Li Peng is now on a tour of Near Eastern countries, and the Kazakh president met with his deputy Tian Jiyun. But a letter was received from the premier, saying that all N. Nazarbayev's ideas are being examined in detail by the departments concerned.

The Kazakh president also thoroughly studied all aspects of the Chinese reform. I was present at his talk with Gao Shangquan, deputy chairman of the State Committee for the Transformation of the Economic Management System, a very competent man.

N. Nazarbayev asked about the fine details of the reform, the structure and functions of the committee itself, the successive stages and nuances of the monetary reform, and the specific ways in which it attracts foreign businessmen. The guest was briefed in detail on the idea of combining the plan and the market, which China wants to resolve, in a first approximation, within 10 years. N. Nazarbayev, in turn, spoke about the destatization and privatization model in Kazakhstan.

Incidentally, the interlocutors found a common language on the subject of "shock therapy." Gao Shangquan: "This model is not appropriate for China, we need gradual steps, otherwise society will not be able to stand it." N. Nazarbayev: "We have many people who support this method, but in the conditions of shortages, it would be the shock without the therapy."

I asked the president to sum up his impressions of the Chinese reform. "I agree with the Chinese: Every country has its own traditions, its own history, its people's mentality. Therefore everyone must follow their own path. Nonetheless the Chinese experience is very interesting for us. I welcome what they are doing to deepen the reform. It is interesting that they have decided to grant greater freedom to enterprises and allow various forms of ownership. We say that in the transitional period there is bound to be a recession. That has happened in our case, because links between republics and enterprises were disrupted. The Chinese did not allow a recession to happen, they maintained discipline in the economy.

"About the idea of combining the market and plan systems. In my view, it is necessary to plan for the state's needs and priorities, but the plan should not be directive (incidentally, they understand that in China, and the indicative plan accounts for an ever increasing proportion there). The enormous development of the maritime regions is impressive, especially that of the Shenzhen economic zone—3,500 joint enterprises! Of course, this experience cannot be entirely transplanted to our soil. There, the proximity of Hong Kong, South Korea, and Japan helps, and the Chinese emigres are very active."

[Savenkov] "How do you assess your ties with your neighbors?" I asked the president.

[Nazarbayev] "In the last four years trade turnover has increased fivefold. Joint enterprises have begun to spring up. An agreement is about to be signed on a new joint enterprise in Urumchi. Relatives visit each other regularly. Tens of thousands of them. More than a million Kazakhs live in Xinjiang, and a good many Uygurs in Kazakhstan. Interethnic links are being consolidated in both places. As for the weak points in cross-border cooperation, they include unfamiliarity with market forces, poor professional training, currency losses, and so forth. But as our ties deepen, experience will also be gained. The main thing is to widen professional contacts. I see great prospects for the development of relations between our countries."

From Beijing, N. Nazarbayev set off for the Xinjiang Uygur Region again. The visit began there, and there—after the tour of the country—it will end. In Xinjiang, where the delegation is now, agreements are being signed on the basic principles of relations between Kazakhstan and the Xinjiang Uygur Autonomous Region, and also on trade and the joint use of the railroad.

Dalai Lama Marks Buddhism Anniversary

LD170717299l Moscow TASS in English 0600 GMT 17 Jul 91

[By correspondent Sergey Trofimov]

[Text] Ulan-Ude July 17 TASS—The Dalai Lama is in Buryatia, the soviet republic in eastern Siberia, to attend celebrations of the 250th anniversary of the official recognition of Buddhism in Russia.

Today, the Dalai Lama held a service at the ancient Ivolginsk monastery, devoted to the traditional Buddhist holiday, Hurala Maidari.

Later in the day, the Dalai Lama met clergymen, professors and lay brothers at the Soviet Union's first Buddhist spiritual school.

The third day of his stay in the republic ended by an official reception at the Soviet Central Spiritual Buddhist Department, given by Soviet Buddhist head Bandido Khambo-Lama Munko Tsibikov.

The two spiritual leaders discussed peace-making activities by the world's Buddha followers. The Dalai Lama was particularly interested in Soviet perestroyka, humanisation and democratisation of Soviet society and respect to the rights of believers.

Chinese Workers Gain Good Reputation in USSR

OW1907034091 Moscow INTERFAX in English 1230 GMT 18 Jul 91

[Transmitted via KYODO]

[Text] 16,000 Chinese workers labor in the Soviet Union under an intergovernmental agreement. About 5,000 of them work in the Pacific Maritime Territory. Judging by the local press, their reputation is good.

The newspaper "UTRO ROSSII", for one, reports that Chinese specialists engaged in reconstructing a sugar factory have built for themselves a hostel, a catering center and a pig-breeding farm.

Northeast Asia

Commentary on Japanese Industrial Group's Visit

OW1907040391 Moscow Radio Moscow in Japanese 1400 GMT 17 Jul 91

[Commentary by (Shimotenov)]

[Text] Under an agreement reached between the Governments of Japan and the Soviet Union, a group of Japanese experts has arrived in the Soviet Union to explores possibilities for Japan's cooperation in converting the military industry to civilian production. Radio Moscow military commentator (Shimotenov) reports as follows:

The Japanese experts are scheduled to visit several military enterprises in the Urals areas and to observe the conversion of military industry to civilian production. At the end of its visit to the Soviet Union, the group is scheduled to hold a symposium, during which specific problems involving Japan's assistance to the Soviet Union for converting the military industry to civilian production will be discussed. The Japanese experts will also explain how Japan converted its military industry to a civilian industry in the post-war period.

Here is an interview with Colonel Nikolay Karasev, economist and expert on the conversion of military industry to civilian production in the Soviet Defense Ministry. Col. Karasev said:

[Begin Karasev recording in Russian, fading into Japanese translation] Japan's participation and cooperation in the conversion of military industry to civilian production is very important. Japan's application of advanced technology in production is well-known. Our defense industry is closely related to such advanced technology. We are very interested in the visit by Japanese high-tech experts to the Soviet Union.

I do not know just how Japan will help convert our military industry to civilian production. First, it is necessary to file a list of goods to be produced at converted military enterprises. I believe that Japan's advice and experiences would be of great help to us in preparing such a list. Second, I believe that Japan can help the Soviet Union in training technicians in the course of converting the military industry to civilian production. Third, I think that Japan's assistance to the Soviet Union in revamping basic laws in connection with the conversion of the military industry to civilian production would be of great help.

I believe that the visit by Japanese experts to the Soviet Union will be an important step in smoothly promoting this conversion. [end recording]

Japanese SDF Exercises in Hawaii Viewed

OW1907040191 Moscow Radio Moscow in Japanese 1100 GMT 16 Jun 91

[Commentary by Kalinin]

[Text] According to KYODO NEWS SERVICE, the Japanese Defense Agency [DA] has decided to conduct military exercises of ground forces in training areas in the Hawaiian Islands. In this connection, military commentator Kalinin has the following comments:

Plans to conduct exercises abroad by the Self-Defense Force [SDF] are nothing new. Talks on this started two years ago. It was precisely at that time that the DA was also reportedly studying the possibility of purchasing large tracts of land in a foreign country where military exercises could be held. From all indications, such plans to operate abroad are pending. Meanwhile, SDF exercises in a foreign country will become a reality in the United States. The first exercises by the Japanese army in Hawaii will be held in autumn next year.

Incidentally, the reason given by Japanese military sources for the need to conduct exercises abroad is that army weapons cannot be fully utilized on domestic training grounds. The fact is, while the largest SDF training ground in Hokkaido is only 18 km long, the range of modern weapons and rockets clearly exceeds this distance. Under such circumstances, although the use of the most advanced model of firing simulators to ensure a high level of training is also possible, the Japanese SDF chose to conduct exercises in a foreign country. Such an act will create another precedent for the SDF in expanding operations outside the country. For years, SDF operations were considered to be limited to inside the country. However, in the 1980s, sea lane defense was used as an excuse to expand operations

1,000 nautical miles from the coast. This spring, Japanese naval vessels were sent to the Persian Gulf; these vessels are still there. Recently, the Japanese Government has also decided on a policy to allow the SDF to participate in UN forces operations. At the moment, such participation is supposed to be limited to operations not involving the use of force, but there is no way to tell what will happen in the future. At any rate, the changes we have seen in Japanese military policy lead to considerable doubts on this matter.

We cannot but agree with the opinion of Japanese military commentator Haruo Fujii in this connection. Commenting on the decision by the DA to conduct military exercises in the Hawaiian Islands, Fujii stated that this would create a fait accompli of SDF overseas deployment or give rise to a defensive military doctrine.

DPRK Treaty Anniversary Celebrated in Moscow

SK1807114991 Moscow Radio Moscow in Korean 1330 GMT 11 Jul 91

[Report by station reporter Valeriy (Surikov); from the "Various Aspects of Cooperation" program]

[Text] The Soviet Union and the DPRK signed the Treaty on Friendship, Cooperation, and Mutual Assistance 30 years ago today. Representatives from social circles in the Soviet capital attended a meeting at Moscow's Friendship Hall on this anniversary. Present at the meeting were leaders and activists of the Soviet-Korean Friendship Society and the Korean-Soviet Friendship Society, reporters, and officials of the DPRK Embassy to the Soviet Union led by (Yi Tu-yol), charge d'affaires ad interim. Our station reporter Valeriy (Surikov) reports:

The participants in the meeting saw a photo exhibition entitled: "Let Us Strengthen Friendship Between the Soviet Union and the DPRK." They entered the press room, where the flags of the Soviet Union and the DPRK were hung. Present on the rostrum were Svetlana (Siesova), vice chairman of the Central Committee of the Union of Soviet Societies for Friendship and Cultural Relations With Foreign Countries; Aleksandr Biryukov, vice chairman of the Central Committee of the Soviet-Korean Friendship Society; (Yi Tu-yol), DPRK charge d'affaires ad interim in Moscow; and (Kim Chong-chon), Army and Navy attache of the Korean Embassy.

Svetlana (Siesova), vice chairman of the Central Committee of the Union of Soviet Societies for Friendship, opened the commemoratory meeting.

[Begin Svetlana (Siesova) recording in Russian, fading into Korean translation] The treaty on friendship, cooperation, and mutual assistance, which was signed on 6 July 1961, opened a new chapter in the fraternal ties between the people of the Soviet Union and Korea.

On behalf of the representatives of Soviet social circles, I welcome the honored Korean guests. Through them, I extend congratulations to all the Korean workers on this anniversary. [end recording]

Aleksandr Biryukov, vice chairman of the Central Committee of the Soviet-Korean Friendship Society and Russian light industry minister, delivered a commemorative report.

[Begin Biryukov recording in Russian, fading into Korean translation] Our two countries have extensively developed working-level relations in various fields for 30 years since the Korean-Soviet treaty on friendship, cooperation, and mutual assistance was signed. Trade, economic, and scientific and technological ties have been very important. We are steadfastly making joint efforts to overcome the recent temporary, difficult situation and have been trying to find efficient ways of cooperation. The establishment of joint ventures, cooperation in the production of consumer goods, and direct contacts between the enterprises are examples of such cooperation. We are planning to continuously make a variety of contacts with the DPRK and to promote state-level ties in scientific and technological, cultural, manufacturing, sports, and educational fields. Cooperation between the two countries has remained strong in handling external political affairs. Our similarities in views on political issues are reflected in our efforts to ease tension in the Asian-Pacific region and on the Korean Peninsula. We are sincere to the DPRK in all the treaty's clauses. We are willing to work for the happiness and interests of the people of the two countries in the future. [end recording]

(Yi Tu-yol), DPRK charge d'affaires ad interim to the Soviet Union, delivered a reply address.

[Begin (Yi Tu-yol) recording in Russian, fading into Korean translation] For 30 years since its signing, the Korean-Soviet Treaty on Friendship, Cooperation, and Mutual Assistance has served the interests of the people of our two countries and has greatly contributed to defending peace and stability in the Far East and Asia. The aspirations of the people of Korea and the Soviet Union and the developments in the situation in their vicinity have broadened the significance of the Korean-Soviet alliance treaty. We think that it is important for the two sides to sincerely fulfill the treaty obligations in compliance with the earnest desires and expectations of the people of the two countries. For the past 30 years, the people of the two countries have defended and cooperated with each other and developed traditional relations of friendship in the spirit of the Korean-Soviet Treaty on Friendship, Cooperation, and Mutual Assistance. We thank the fraternal Soviet people for having extended unqualified support and encouragement to the Korean people at every difficult period in carrying out their revolutionary cause and we will not forget it. I think that it is important to promote a favorable atmosphere and conditions to develop traditional relations of friendship and cooperation between the two countries. We will also in the future make every effort to develop relations of friendship with the Soviet Union in compliance with the ideals of independence, friendship, and peace and based

upon the principles of independence, mutual respect, equality, and non-interference in internal affairs. We are closely watching the fraternal Soviet people continue their revolution and make efforts to achieve political and economic success in the country and defend global peace. We sincerely wish them successes in this difficult task. On this meaningful anniversary of the signing of the alliance treaty, I express my hope that traditional Korean-Soviet friendship will be constantly strengthened and developed. I also sincerely wish all the Soviet friends here new successes in their work and happiness. [end recording]

Southeast Asia & Pacific

Maslyukov Attends ASEAN Meeting as Observer

Presence Shows 'Changed' Situation

BK1907104291 Moscow Radio Moscow in Indonesian 1300 GMT 18 Jul 91

[By Southeast Asian correspondent (Sergey Salienko)]

[Text] The annual meeting of ASEAN foreign ministers will be held in Kuala Lumpur on 19-20 July and Soviet Deputy Prime Minister Yuriy Maslyukov is scheduled to attend its opening ceremony and meet with ASEAN foreign ministers.

The Soviet and Chinese delegates have for the first time been invited to the ASEAN meeting as observers. Many political observers have described the invitation as sensational. Many years ago, such an invitation was considered a fantasy. However, time passes and the situation has changed. Perestroyka in the Soviet Union has changed its image overseas, including in ASEAN countries. As a result, the Soviet Union has been invited to Kuala Lumpur to meet with ASEAN foreign ministers to discuss the expansion of bilateral cooperation. As a whole, ASEAN countries have adopted a positive attitude toward the prospects of cooperation with the Soviet Union and the PRC. An example can be seen from remarks by Malaysian Prime Minister Mahathir Mohamed who expressed his hope that the Soviet-ASEAN talks would lead to the opening of Soviet market for ASEAN commodity goods. Mahathir also hoped that the Soviet Union will understand better the significance of and role played by ASEAN countries.

However, some ASEAN dialogue partners have adopted a more cautious attitude. For example, some people in Japan have voiced their reservation that the participation of Moscow and Beijing in the regional cooperation will pose a potential danger to ASEAN, namely, it may change the nature of dialogues between ASEAN countries and their current dialogue partners.

Nevertheless, such reservation is groundless. Recently, Austrian Ambassador to Indonesia Herbert Kroell said that the first meeting of ASEAN and European countries, which will include the Soviet Union and Eastern European countries, will be held in Austria at the end of August.

Maslyukov Arrives in Malaysia

LD1807152991 Moscow TASS in English 0710 GMT 18 Jul 91

[by correspondents Mikhail Tsyganov and Georgiy Shmelev]

[Text] Kuala Lumpur July 18 TASS—A Soviet Government delegation led by Soviet Deputy Prime Minister Yuriy Maslyukov arrived in Malaysia today to attend a conference of foreign ministers of ASEAN member states which opens here on July 19. It will be the first high-level contact between the Soviet Union and the influential regional organisation which comprises a number of dynamically developing countries—Brunei, Indonesia, Malaysia, Singapore, Thailand and the Philippines.

The delegation was met at the airport by Malaysian Foreign Minister Abdullah Ahmad Badawi, who invited it to the meeting. It is an excellent opportunity to exchange views on many questions, he told TASS. He added that they also hoped to get first-hand information about radical political and economic transformations in the Soviet Union.

Speaking at the airport upon his arrival, the Soviet deputy prime minister expressed hope that the forthcoming talks "Will be fruitful, will promote the development of bilateral relations and ensure stable, mutually advantageous and equitable cooperation."

Apart from participating in the ASEAN conference, the Soviet delegation's programme includes talks with Malaysian Prime Minister Mohamed Mahathir, Deputy Prime Minister Abdul Ghafar bin Baba and other Malaysian officials, as well as a number of unofficial meetings with foreign ministers of other ASEAN members states and with Chinese Foreign Minister Qian Qichen, head of the Chinese delegation, which was also invited for the first time to attend an ASEAN conference.

"We would like the Soviet Union to realise the importance of ASEAN and the role it is playing," Mohamed Mahathir told TASS. "Our market is open, and we hope that the Soviet market will become open too, and we shall be able to cooperate in the economic sphere."

Attends Conference Opening

LD1907094191 Moscow TASS in English 0753 GMT 19 Jul 91

[By special correspondents Mikhail Tsyganov and Georgiy Shmelev]

[Text] Kuala Lumpur July 19 TASS—The 24th foreign ministers' conference of the Association of South East Asian Nations (ASEAN) opened in the Malaysian capital today.

The agenda of the annual forum includes a discussion on how to improve the Association's organisational structure and economic cooperation within its framework, a Malaysian initiative to set up an East Asian economic group and preparations for an ASEAN summit to be held in Singapore early next year.

The USSR and China were invited to the conference for the first time. The Soviet delegation is led by Soviet Deputy Prime Minister Yuriy Maslyukov.

This is the first official top-level contact between the Soviet Union and ASEAN which includes several states having record-high rates of economic development and playing a growing role in the world arena.

ASEAN includes Brunei, Indonesia, Malaysia, Singapore, Thailand and the Phillipines.

Speaking at the opening ceremony, Malaysian Prime Minister Mahathir Mohamed said that Soviet and Chinese senior statesmen—Maslyukov and Chinese Foreign Minister Qian Qichen—were present at the ASEAN forum for the first time.

"Your presence at this meeting is indeed a clear reflection of the importance you attach to ASEAN as a regional association," Mohamed said, addressing the representatives of the two big powers. "Now that ASEAN and the Soviet Union as well as ASEAN and China have decided to sit together in conference, the ideological barriers between us have been overcome, there is, however, the psychological barrier to cross, so let us work together towards more fruitful relations between us in the interest of peace and security in the Asia-Pacific region."

Beijing Meeting on Cambodian Settlement Viewed

PM1807115591 Moscow IZVESTIYA in Russian 17 Jul 91 Union Edition p 5

["Own information" report: "Meeting Place—Beijing"]

[Text] Beijing has become the meeting place for those participating in the Cambodian settlement. Members of the Higher National Council and representatives of all four Cambodian sides have been arriving here, and will hold a working meeting Tuesday and Wednesday under the presidency of Prince Norodom Sihanouk.

It is noteworthy that Prime Minister Son Sann has come from the Cambodian State to Beijing, in his capacity as a member of the Higher National Council. It is his first visit to the capital of the PRC. At a press conference, a spokesman from the PRC Ministry of Foreign Affairs described a foreign press report that Son Sann would remain in China after the end of the meeting for a three day official visit as "not corresponding to facts." And he added that China is receiving all the Cambodian sides on equal terms.

It was announced in the PRC Ministry of Foreign Affairs that the cochairmen of the Paris Conference on Cambodia, together with representatives of the five permanent members of the UN Security Council, are to begin on Wednesday, also here in Beijing, a two-day meeting to which representatives of the UN secretary general have been invited.

As we can see, the paths of the big five and the four Cambodian sides have crossed in Beijing. Observers are convinced that this is yet another testimony to the growing activity of Chinese diplomacy in settling a conflict that has lasted more than 12 years.

Rogachev Cited on Cambodian Talks

LD1807110991 Moscow TASS International Service in Russian 0950 GMT 18 Jul 91

[By correspondent Vladimir Oreshin]

[Text] Beijing, 18 Jul (TASS)—Considerable positive advances have been made recently in the process of the Cambodian settlement. They have been expressed in the fact that matters long dividing the Cambodian parties have been solved in a spirit of national accord. That was the assessment of the outcome of the working committee of Cambodia's Supreme National Council [SNC] and a meeting of representatives of the permanent member-countries of the UN Security Council, Indonesia, and France, which have ended here given by Igor Rogachev, deputy USSR minister of foreign affairs.

He noted in an interview with TASS today that one positive result of the Cambodian SNC meeting had been the unanimous election of SNC Chairman Norodom Sihanouk, who is now acting not as leader of the opposition but as a neutral player, who was called upon to secure the reconciliation of all warring groups. A single Cambodian delegation headed by Sihanouk has also been put together for the forthcoming UN General Assembly session. It is to include Hun Sen, Hor Nam Hong, and the leaders of other Cambodian factions.

It is important that the main thing was achieved: setting up dialogue among the Khmers. A whole series of follow-up steps aimed at broadening and deepening this dialogue is now planned. For example, Prince Sihanouk has invited Hun Sen to take a trip with him to Pyongyang, where the politicians would continue their conversation. It would appear that the improvement in relations between Sihanouk and Hun Seng is an important prerequisite for future rapid progress in the whole process of settlement, the deputy minister noted.

The meetings in Beijing touched upon the key issues of Cambodian settlement, affecting the military aspects, measures to prevent the revival of the genocide regime in this country, and problems of Cambodia's development.

i.e. the demarcation of functions between the SNC and the UN provisional administration, and also between the two existing governments, the one in Phnom Penh and the government formed by the resistance forces. In the course of the sessions interesting ideas were expressed which are to be discussed further, specifically at the routine official session of the Cambodian SNC on 26-28 August this year in Bangkok.

The Soviet delegation, I. Rogachev said, had also had a meeting with Norodom Sihanouk, during which he was given a message from A.A Bessmertnykh, USSR minister of foreign affairs. There was an exchange of views about ways of reaching the quickest possible political settlement and national reconciliation in Cambodia in the light of the progress achieved recently in the dialogue among the Khmers.

Concerning the role of the PRC in the process of Cambodian settlement, I. Rogachev pointed out that, having taken the initiative of inviting all the Cambodian sides to the meeting, China had played a positive role. The PRC was now acting from standpoints directed at achieving the quickest possible settlement of the protracted conflict on the basis of national reconciliation, and we support that.

More on Soviet Planes Landing in Thailand

OW1907104891 Moscow Central Television First Program and Orbita Networks in Russian 1900 GMT 18 Jul 91

[Video report by A. Galkin video from Laos; from the "Utro" program]

[Text] You probably remember the story about the Soviet Antonov aircraft destined for Laos that landed in Thailand because of bad weather. It turned out that the story ended on a happy note and our Lao correspondent Aleksandr Galkin's reportage attests to this. [video cuts to show a Tu-154 Aeroflot passenger aircraft at Vientiane Airport then pans to show an An-2 biplane]

[Begin Recording] [Galkin] The first detachment of four biplanes was delivered by a giant Ruslan [An-124] cargo plane to the airport in Danang, Vietnam. Unfortunately, the airport in the Laotian capital of Vientiane is not designed to receive such heavy machines. The aircraft were assembled in Danang and from there they flew under their own power. Along the route from Vietnam to Laos, the An-2's ran into a thunderstorm and while avoiding its center, they violated Thai territory, where they meandered around for a considerable time in search of ground references.

When only 25 liters of fuel remained in the tanks and the designated airport was nowhere to be seen, the commander of this small detachment, Vladimir Yegorov, decided to land and selected an dirt airstrip that had been dragged by a grader. After circling this narrow and short strip several times, the pilot let it be known that he was planning to land, and machinery was immediately removed from the strip. The aircraft landed, and as it later turned out, they had landed at a strictly guarded facility, on the antenna field of a future Voice of America transmitter. As if this were not enough, the Thai Air Defense system did not respond in any way to the Soviet aircraft wandering around in its airspace. When representatives of Thailand's intelligence services arrived at the site of the forced landing in response to calls from the construction workers and saw the two camouflage-painted aircraft and the red stars on their fuselages, rumors flew that these were aircraft built using technologies similar to those used in building the American invisible stealth aircraft. [video shows the biplanes at Vientiane airport, zooms in to show fuselage markings, including the letters DOSAAF, then shows Galkin interviewing V. Yegorov]

[Yegorov] What can I say about our reception? Generally, the Americans were immediately hospitable and met us with goodwill. About three hours after Thai officials arrived at our forced landing, they also discounted talk about any spy mission and realized that we had been forced to land on this strip because of circumstances, because it was the only suitable strip in this area for our group to land on.

During our stay in Thailand, both local authorities and the Americans were very kind to us. We were provided both housing and food and generally had no problems. Our technical difficulties were solved literally in one or two days.

[Galkin] The An-2's are now preening their feathers, as they say, and are preparing to fly around the country. The An-2's received fantastic publicity for an almost symbolic cost. The hospitable Thais simply requested reimbursement of direct expenses incurred in guarding the planes and the 15 Soviet citizens who were literally besieged by persistent journalists. We also had to pay for refueling the aircraft, but at the significantly cheaper Thai Air Force prices rather than the market prices. [end recording]

Near East & South Asia

Envoy to Saudi Arabia Praises Relations

LD1707164391 Riyadh SPA in Arabic 2210 GMT 16 Jul 91

[Text] Jeddah 16 July, SPA—The ambassador of the Soviet Union to the kingdom, Gennadiy Tarasov, has expressed his country's appreciation of the role played by the Kingdom of Saudi Arabia under the leadership of the custodian of the two holy mosques, King Fahd Bin-'Abd-al-'Aziz al Sa'ud, in the Gulf region and the Arab world. He said in a press statement published here today that "the Soviet leadership is sincerely willing to improve and consolidate the growing friendly relations in various fields, especially the political, economic, and scientific fields."

He added that "there are good prospects for Soviet-Saudi relations and great concern on both sides to improve relations between the two countries." The Soviet ambassador indicated that the consolidation of the contacts of the Soviet pilgrims with their brothers in the kingdom is among the aims of the coming period. He said that "more than 4,000 Soviet pilgrims carried out the pilgrimage duty last year." He also stressed that the pilgrims admire and respect the custodian of the two holy mosques and the government of the kingdom for the great services rendered to the Soviet pilgrims.

Further on Syria Accepting U.S. Proposal

PM1707111591 Moscow PRAVDA in Russian 17 Jul 91 Second Edition p 4

[Report by correspondent An. Stepanov followed by TASS report: "Near East: Syria Is 'For.' What About the Rest?"]

[Excerpts] Beirut, 16 Jul—Last Sunday Syrian Television interrupted its broadcasts for an emergency announcement that Syria has agreed to the U.S. President's proposal to convene a regional peace conference on the Near East problem. President H. al-Asad's response was conveyed to the U.S. ambassador in Damascus. [passage omitted]

It was previously reported that Israel had rejected the United States' compromise proposals. Syria's acceptance puts Israel in a difficult position if you take into consideration the deepening differences between its leadership and the White House over the continuing construction of Israeli settlements on the occupied Palestinian territories.

The U.S. secretary of state described Syria's response as an unprecedented step forward in the peace efforts. He did not rule out the possibility of making another trip to the Near East—the fifth in the last few months.

However, M. 'Abbas (Abu-Mazin), member of the PLO Executive Committee, said in Cairo that Syria, Egypt, Jordan, and the PLO will hold a quadripartite conference to formulate a common Arab stance ahead of the convocation of a Near East peace conference. At the same time Y. 'Arafat, chairman of the PLO Executive Committee, said in Amman that the U.S. proposals are a ruse to cover up the seizure of lands and Muslim holy places.

Stop Press...

New York, 16 Jul—Israeli Prime Minister Yitzhaq Shamir greeted with "cautious optimism" Syria's agreement to the recent U.S. proposals for a Near East settlement, AP reports from Jerusalem. However, he stressed that Israel still firmly insists that its preliminary conditions must be met in order for peace talks to begin.

Other Israeli politicians, in particular Defense Minister Moshe Arens and Foreign Minister David Levi, made the same cautiously positive assessment of Syria's statement.

Near East Again Approaching 'Critical Level'

PM1807140591 Moscow KRASNAYA ZVEZDA in Russian 18 Jul 91 First Edition p 3

["Observer's Column" by Viktor Vinogradov: "No Need for 'Second Round'"]

[Text] The Iraqi Government recently gave a new list of its nuclear installations to a group of international nuclear experts. According to a REUTER report from Baghdad, it has been sent to the International Atomic Energy Agency's headquarters in Vienna for evaluation. Specialists from this international organization in Iraq itself said that they are still unable to say unequivocally whether this represents a complete list or not. However, they indicated that this time the Iraqi side answered all the questions that the experts raised.

I would point out that Baghdad has already provided the United Nations with two such lists. But it was established, when analyzing information gathered by U.S. reconnaissance satellites, that Iraq preferred to keep to itself some of the most important information regarding its nuclear program. When the UN inspectors tried to check out the satellite data on site, they were simply not admitted to the Iraqi installations in question. All this gave Washington grounds for accusing Baghdad of trying to secretly continue developing nuclear weapons.

I would also remind readers that, in accordance with the UN decisions, the elimination of a considerable proportion of Iraq's military potential, including its nuclear weapons production potential, is one of the conditions for a settlement of the Gulf conflict. Everything indicates that the Iraqi Government has been in no hurry to disclose all the data regarding its nuclear program and, in barring the UN inspectors' path, thus breached the terms of the cease-fire.

Following these evasive actions on Baghdad's part, the five permanent representatives of the UN Security Council spent two days in succession discussing in closed session the question of what to do next: Use peaceful means of coercion against Baghdad or military means again? Who decides this choice—the Security Council as a whole or an individual country on its own initiative? At present the answer to this question has been postponed. The Security Council has said that Iraq must divulge all its nuclear secrets by 25 July. If that does not happen, then...

Washington explained what would happen then, giving Baghdad a serious warning. The United States notified it that if the Security Council's demand remained unanswered, the U.S. Administration would authorize the use of military force against Iraq. That option is quite possible. The point is that the UN Security Council resolutions are couched in such a way that if one country so desires it may deem itself entitled to initiate military operations against Baghdad, without waiting for the Security Council's agreement.

The United States is by no means averse to availing itself of this opportunity. The U.S. NBC-TV reported that the Pentagon has already completed work on a plan code-named "Makeup Test." It envisages the annihilation of the Iraqi nuclear potential which survived "Desert Storm" by aerial bombardment. When working on this plan, Pentagon experts analyzed material regarding 100 target installations obtained by reconnaissance satellites. According to the television company, 20 of these were included on the list of targets of possible U.S. air attacks approved by President G. Bush. Presumably the strikes may be carried out by U.S. squadrons in Saudi Arabia and aircraft from the carriers Nimitz (Persian Gulf) and Abraham Lincoln (Arabian Sea). Incidentally, Paris and London supported Washington in this.

It looks as though the situation in this region is once again beginning to reach critical level; trouble is brewing again. Obviously, people in Baghdad have also realized that. After giving the third list of nuclear installations to the United Nations, Iraq's Prime Minister S. Hammadi said that his country fully accepts the provisions of the UN Security Council resolution on international inspection of Iraqi nuclear installations and is prepared to meet any demands arising therefrom.

That is quite reasonable. We have had enough of military operations. Common sense should prevail on both sides. The world can quite well do without a second round of "Desert Storm."

Israeli Labor Delegation Meets Shcherbakov

91P50254A Moscow TRUD in Russian
16 Jul 91 p 1

[Unattributed report: "Conversation With a Delegation"]

[Text] Chairman of the General Confederation of USSR Trade Unions V.P. Shcherbakov received a delegation from the Israeli General Federation of Labor (Histadrut), headed by the deputy secretary-general of the trade-union center, M. Lyubelskaya, on 15 July. Matters concerning the further development of bilateral ties, as well as the international trade-union movement, were discussed during the conversation which took place.

The General Confederation of USSR Trade Unions and Histadrut acknowledged their aspiration to develop cooperation on a wide range of trade-union activities and outlined steps with respect to the practical realization of agreements already provided in the area of bilateral coooperation.

I.Yu. Yurgens, the secretary of the Council of the General Confederation of USSR Trade Unions, participated in the conversation.

Foreign Ministry on Assam Search for Engineer

OW1907061791 Moscow INTERFAX in English
1200 GMT 18 Jul 91

[From the "Diplomatic Panorama"; transmitted via KYODO]

[Text] IF [INTERFAX] correspondent has been told at the Soviet Foreign Ministry that the search for the body of the Soviet expert Sergey Grischenko has so far been unsuccessful. The man was abducted and killed by commandoes of the Indian terrorist organisation United Front of Assam's Liberation. The Government of the Assam State continues efforts to find it, but, according to professionals, chances for success are fewer every day. The terrorists acting in remote inaccessible regions are likely to have removed all traces of the crime.

They say at the Soviet Foreign Ministry that the Indian side has expressed hope the tragic case should not mar the two countries' relations, or prevent further Soviet expert aid in developing India's industry.

Our sources in Delhi inform us that the Indian Prime Minister Narasimh Rao has sent a message to President Gorbachev on the death of S. Grischenko. The information has been neither confirmed nor denied at the Foreign Ministry. They give to understand the situation will be clearer after M. Gorbachev's return to Moscow from London.

West Europe

German Pilots on Landing in Pulkovo

OW1907084791 Moscow INTERFAX in English
1830 GMT 18 Jul 91

[Transmitted via KYODO]

[Text] The newspaper VECHERNI LENINGRAD has published an interview with four German citizens who flew a private plane from Helsinki, July 15. The anti-aircraft defence headquarters of the Leningrad region alleged the plane had been forced to land in Pulkovo by Soviet fighter-planes. The German pilots maintain they had not deviated from their route and, what's more, had seen no fighter-planes. They had no idea they were chased. "We landed in Pulkovo quietly, filled the forms, and went on to the city. The first we heard of this story was many hours later from the people at the German consulate office in Leningrad", they told the paper's correspondents.

The paper comments that the anti-aircraft service seems to have been chasing phantoms while the German plane was safe on land in Pulkovo.

Lukyanov Meets French Political Scientists

LD1807204991 Moscow Central Television Vostok Program and Orbita Networks in Russian 1530 GMT 18 Jul 91

[From the "Vremya" newscast]

[Text] USSR Supreme Soviet Chairman Lukyanov received in the Kremlin today the leading political scientists of France—Professor of Sovietology (Helene Perrere-Dancos), member of the French academy; (Thierry de Bonvreal), director of the French institute for foreign relations; and representatives of the French newspaper LE FIGARO. In the course of the conversation the guests were informed about the social, political, and economic processes taking place in Soviet society. They were acquainted with the work of the highest legislative organ of the country. [video shows Lukyanov, guests talking]

British, Canadian Companies To Exploit Oilfields

LD1807160191 Moscow Radio Moscow World Service in English 1200 GMT 18 Jul 91

[Text] The British Gas and Gulf Canada Resources are completing a joint venture agreement with Soviet authorities to exploit two oilfields 1,500 km northwest of Moscow, near the Artic circle, the two companies said in London on Thursday. The announcement coincided with a meeting between Mikhail Gorbachev and Canadian Prime Minister Brian Mulroney and with British Prime Minister John Major for bilateral talks after the G-7 summit. The investment could total 1 billion Canadian dollars if all the phases of the project are carried out, the companies said. During the first three years investment should total 200 million [currency not specified]. Soviet interests would hold 50 percent of the new operation and the two Western companies would each have 25 percent.

Mitsotakis Interviewed on Ties With USSR

PM1807152191 Moscow PRAVDA in Russian 18 Jul 91 Second Edition p 5

[Interview with Greek Prime Minister K. Mitsotakis by correspondent N. Miroshnik in Athens in July; precise date not specified: "We Could Serve As an Example. Greek Prime Minister K. Mitsotakis Answers PRAVDA Correspondent's Questions"]

[Excerpt] [passage omitted] [Miroshnik] In your opinion, does the current level of development of Soviet-Greek relations accord with prevailing European standards? In what areas does the development of bilateral ties perhaps still lag behind? What new elements may be introduced by the Soviet-Greek Treaty on Friendship and Cooperation initialed this April?

[Mitsotakis] The onward development of our bilateral relations following the recent reforms and changes in the Soviet Union evokes in me a sense of satisfaction and arouses the Greek people's attention and interest. As a matter of fact the initialing two months ago and the signing of the Greek-Soviet Treaty on Friendship and Cooperation within the next few days, indisputably, match the high level of development of these relations.

Our countries could serve as an example to be copied, developing primarily cooperation in traditional spheres, mainly cultural and spiritual exchanges, shipping, trade, and tourism.

It is in the sphere of capital investment and industrial cooperation that I see a lag due to structural and economic difficulties in the Soviet Union, along with Greece's economic difficulties. These are two important spheres whose development deserves particular effort.

Without doubt, I cannot help but mention two major installations under construction in Greece—the gas pipeline and the bauxite processing plant—that represent a real example of Greek-Soviet cooperation.

[Miroshnik] Needless to say the Greek and Soviet economies are hard to compare in terms of scale, but they can probably complement one another in some areas. What is your view on that?

[Mitsotakis] Yes, we can work toward economic mutual complementariness in such spheres, for instance, as shipping, agricultural processing—fruit and tobacco, shall we say—light industry (sewn goods and footwear, production of plastic articles), and construction.

The move toward introducing market principles in the Soviet economy has created additional opportunities for cooperation and for joint entrepreneurial activity. After all, historically the Greeks—primarily a trading and entrepreneurial people—lived and worked in harmonious cooperation with the peoples of the USSR in many regions of what is now the Soviet Union.

[Miroshnik] Greece is a seafaring country and its residents have been familiar with the route to the neighboring Black Sea shores since time immemorial. As is well-known, Athens has expressed a desire to take part—as an observer—in creating a Black Sea cooperation zone. What interest could it have in this?

[Mitsotakis] The Greeks have long been acquainted with the Black Sea region. Thousands of years ago prominent Greek colonies flourished on its shores. Today hundreds of thousands of Greeks live in adjoining areas. It is also an area of intensive Greek shipping. Hence my country's interest and desire to take part as an observer in creating a cooperation zone for the countries of the Black Sea basin.

Greece is one of the 12 EEC members and one of the adherents to and supporters of European union. It is interested in any efforts to unite European countries, in any multilateral regional cooperation which actively supports this. It would be advisable for the Black Sea

countries to have a country like Greece in their ranks as an observer that could act as a bridge between them and the EEC. [passage omitted]

USSR's Place in Changing Europe Viewed

PM1807102591 Moscow NOVOYE VREMYA in Russian No. 26, Jun 91, signed to press 25 Jun 91 pp 14-16

[Report by special correspondent Galina Sidorova: "Back to Paris, Forward into Europe"]

[Text] Berlin-Moscow—There was a rehearsal for this session of the Council of Foreign Ministers of the European states, the United States, and Canada, established in accordance with the Paris charter: The ministers met last fall during the UN General Assembly session in New York. They met and each made a prepared speech. Then the guests and journalists were shown the door and an informal exchange of opinions was announced. The Norwegian minister in the chair suggested that someone set the ball rolling. They all buried their faces in their papers and made rustling noises. Just like in school. The pause dragged on. Then the Norwegian said: "If no one wants to say anything I am closing the session." J. Baker came to the rescue. Like the star pupil saving the situation, he pressed the button next to his place, and... The microphone did not work. There was a lot of fussing over the microphone. The secretary of state, as befits an exemplary student, did not get flustered, but resolutely mounted the podium and began the debate.

Thirty-five Again

In Berlin the ministers were ready to get down to brass tacks. After a brief opening session, at which Albania became a member of CSCE, making us 35 again, they embarked on a debate on the agenda. They discussed the question of Europe's new architecture and of correlating the all-European process with the existing European and transatlantic institutions—European Community, Council of Europe, NATO, Western European Union—and the dynamics of economic and social changes on the continent. They approved a procedure for the peaceful settlement of disputes, envisaging the involvement of a third party. At Yugoslavia's request they discussed the situation in that country.

The most complex question, perhaps, was that of agreeing on a mechanism for emergency situations. There were two factors that bothered the Soviet Union: how to define the concept of an "emergency situation" and how to avoid interference in internal affairs.

Whereas, in the past, matters that certain states regarded as rather delicate would only have spoiled the appetite, on this occasion a compromise was reached during the actual working luncheon, once the Soviet minister had started the ball rolling: The preamble to the description of the mechanism for emergency situations highlights the principle of noninterference in internal affairs.

Any participating state can ask the country or countries for an explanation if it considers that an emergency situation is taking shape, and it will receive an explanation within 48 hours. Otherwise, the state that raised the question can ask the chairman of the Committee of Senior Officials to hold an emergency meeting of the committee. The request has to be supported by another 12 countries within 48 hours and the session then takes place. It can adopt recommendations or conclusions with the intention of reaching a settlement, and, if necessary, a decision to convene an additional meeting at ministerial level.

Today the 35 ministers are closer than ever before in their assessments of what is happening on the continent and of the opportunities on offer. For Soviet policy, though, there are two sensitive areas: the relationship with NATO and the problem of combining national, interethnic, and all-European and domestic and foreign affairs. This sensitivity is due primarily to the intrapolitical struggle in the Soviet Union itself, the complexities in interethnic relations and in the relationship between the center and the republics, between the center and potentially independent states, and above all with the Baltic republics.

First, NATO—an issue that temporarily receded into the background after the unification of Germany, but is now reborn in a new capacity.

[NOVOYE VREMYA] Isn't the position of active rejection of NATO as a structure of the past more a psychological one? Are you wondering all the time what our conservative lobby and orthodox fellow citizens are going to think about a change in the usual approach?

[A. Bessmertnykh] We have links with NATO. We welcome the process of its politicization. What do we not accept? The concept whereby NATO is the cornerstone of all-European stability. NATO was set up during the cold war and and to this day it is a 12-country military-political grouping. We have entered a transitional period of European reorganization. In these conditions it is impossible to demand the elimination of all the organizations that existed in Europe. Particularly those organizations that are viable. They include the Council of Europe, the European Community, the European parliament, and NATO. However, unlike the West, we regard NATO as a transitional mechanism. Even if they turn it into a political organization it still cannot be the foundation for an all-European process. Why? Well, because the institutions we are now talking about are the product of one part of Europe and part of Europe believes in them, but for Europe to be united, all those living on the continent, all countries and leaders must be suffused with all-European ideas born of the European process. A Greater Europe has a chance to transform itself. But if there is a grouping of countries in the center where is the Europe from the Atlantic to the Urals?

[NOVOYE VREMYA] Supposing NATO is expanded.

[A. Bessmertnykh] Then it would be NATO no longer. I do not rule out the possibility of NATO's being transformed, reorganized into a new structure. Good God, one might support that. At the moment their military headquarters and defense councils still examine matters of nuclear strategy annually. In this sphere nothing has changed. A number of Western countries just cannot break away from NATO, because it is supposed to safeguard their security. I know that some East European states are attracted to NATO. But I would say it is more a protest than anything. They will not admit them. Nonetheless, NATO cannot be the center and the European process cannot be an adjunct to that organization. I do not believe there is a psychological aversion to NATO in the Soviet Union. Public opinion is beginning to appreciate that if we are realists we must see Europe the way it is and the way it has to be. And these two factors have to be combined somehow in a way that is acceptable to us... We are conducting a dialogue with NATO at political and military levels. The foreign minister has been invited to pay it another visit... [Bessmertnykh ends]

Marriage With NATO?

As I understand it, our president is expected at NATO headquarters as well as the Soviet minister. All in all, NATO is currently offering the Soviet Union a multitude of cooperation projects—in the military and political spheres, and, most important, in the sphere of conversion and ecology. Incidentally, civilian sectors currently consume nearly half of the NATO budget. However, the dialogue with the NATO leadership is still too circumspect. NATO interest in us is higher at the moment than our willingness to respond to it.

Moscow seems to be turning a blind eye to the changes taking place in NATO: Armed forces are to be cut by half and a special program of contacts with the USSR and the East Europeans has been devised. Our politicians prefer to keep their distance from NATO at the moment, guided by their pet principle: The people will not understand. But for some time Soviet military leaders have been keen visitors to NATO—they are shown everything, told everything. The results of these excursions are curious: On returning to Moscow the generals swear that they saw something supernatural, the kind of thing, they say, that must give an immediately fillip to the home defense industry.

You can beat your chest as much as you like and shout about their threatening us, hampering us, and generally undermining us. Or you might find it a good idea to be a realist if just for a while: It was not the West Germans who fled to the East, but the East Germans to the West. It was not the EEC, but CEMA that died a natural death, and it is not NATO, but the Warsaw Pact that has been laid to rest—the final session of the political consultative committee on 1 July, since it is funeral ceremony, will be attended by the Soviet vice president. Moreover, the Warsaw Pact did not die on the battlefield, grappling with NATO, but as a result of the economic and political bankruptcy of the system that gave birth to it. Indeed, if we are talking about values, NATO currently expresses the very values we aspire to—economic freedoms, democracy, respect for the individual. The tenacity of some European structures and the withering away of others indicate which of us is returning to civilization. They are not coming to us, we are going to them.

But if we really want NATO to turn into a new all-European structure, it is logical to cooperate with it as intensively as possible. And to pose the question of the USSR's possible membership of the organization, as we are doing with other European institutions. In my view, it would be wasteful to lose the existing security structure and create a new one instead of making use of NATO with its modern infrastructure and potential. As for the Warsaw Pact, obviously the wisest thing would be to turn the upcoming session of the political consultative committee not into a finale, but into a starting point for new relations with the East European neighbors.

Now for interference in internal affairs.

The sphere of internal affairs narrows with the adoption of the concept of general human values. It seems to me it is a natural process of the development of the new Europe and new world order. The problem is that we are a phase behind the West. They have already been through the excruciating period of formation and expression of mutual recriminations, economies accommodating one another, mutual adaptation between the strong and the weak. They have voluntarily surrendered part of their economic and political sovereignty to the all-European coffers, which can only benefit national interests, since they all enjoy the fruits of integration. The EEC ministers meet nearly every week and are in constant contact. They have their problems there too, of course. But in their case the mechanism is already set up. But we, in relations between the parts of our own federation and with the states of Eastern Europe and former allies in the socialist camp, are actually entering the era of the struggle among sovereignties, ethnic aspirations, and formation of individual "egos" as a reaction to decades of suppression of ethnic traditions and autonomy on the pretext of internationalism. It is impossible to leapfrog the present complex period. And, naturally, the prosperous West Europeans will have to endure it with us. Otherwise we will never achieve the depth of integration that they have achieved among themselves and that the new Europe expects.

To The Shevardnadze Line

With the development of perestroyka and our return to the civilized world ideology is disappearing from interstate relations. There is a struggle between ideas and opinions within, which is natural in a democratic state. The military-conservative lobby is not yet aware of this development of events or is deliberately trying to prevent it. It was their actions that led to the opportunities opened up by the November Paris meeting of state and

government heads being swept away by the conservative tide within our country, rolling back the entire European process.

The uniformed Susanins [Ivan Susanin was a 17th century hero who deliberately "guided" an invading Polish detachment into a swamp] spent many months leading everyone through a labyrinth of talks arithmetic—first, before the signing of the Treaty on Conventional Armed Forces, and then, later, having blocked for six months the possibility of its ratification and preparation of a Soviet-American agreement on strategic armaments and having frozen our relations with European states and the United States. Soviet tanks and aircraft were repainted and reassigned and armaments were moved to the other side of the Urals. After it was signed inaccurate information was presented on Soviet armaments—reflecting the planned rather than the existing state of affairs—and the number of facilities subject to verification was arbitrarily understated compared with the figures that were being discussed at the talks. The military also found shortcuts and legal loopholes. As a result, six months later, everyone was back where we started: The vexed questions raised by us had been removed, but on less favorable terms as far as the Soviet Union was concerned.

At the moment, in order to moved ahead, we are effectively returning to where we started out from six months ago—to the Shevardnadze line in foreign policy.

Hence the series of frantic and clumsy attacks on Shevardnadze himself and on the course which he defended until the final moment of his ministership and is continuing to uphold as an independent politician. The bursts of pseudopatriotic hatred are also symptoms of a system in its death throes.

The conservatives, who were not given a proper rebuff by the president in the past, are now venting their "foreign policy" anger on Mikhail Gorbachev. And the president is having to redouble his efforts to repulse right-wing attacks in a Union parliament that has shifted heavily to the right.

The skillful diplomatic patterns woven by Aleksandr Bessmertnykh in Europe and the United States, Eduard Shevardnadze's triumphant lecture tour of the Old and New World, and Mikhail Gorbachev's preparations for the London trip—all this benefits the country's national interests, revives its foreign policy image, and, consequently, brings us nearer a solution of the most complex problems—internal problems.

Supreme Soviet

Deputies Cited on Draft Union Treaty

PM1807103391 Moscow KRASNAYA ZVEZDA in Russian 17 Jul 91 First Edition p 1

[Interview with L. Sharin, chairman of the Supreme Soviet committee for defense and security affairs, and N. Engver, member of the Supreme Soviet Committee for the affairs of internationalist servicemen, by correspondent Captain Second Rank V. Urban; first paragraph is introduction: "Has the Last Word Been Said?"]

[Text] Before leaving for the summer vacation the USSR Supreme Soviet discussed the draft Union treaty and determined the union delegation to sign it. The resolution adopted by parliament voices proposals and comments on the draft. Whether they will be considered by those taking part in the "Nine Plus One" agreement is another matter. But it is hard to believe that the last word has already been said. Our correspondent asked the opinion of two deputies who reflect the positions of specific parliamentary forces.

L. Sharin, chairman of the committee for defense and security affairs.

[Urban] The draft Union treaty relegates defense both to the sphere of management of the Union and to the sphere of joint union-republican management. Are there not contradictions here, Leonid Vasilyevich?

[Sharin] No. But I think that amplification is needed here. In particular with regard to the delimitation of the powers of the Union and the republics on defense questions. The draft does this only vaguely. In one section defense is relegated to the sphere of management of the Union and in another it is a matter for union-republican management. That is legally incorrect since it is interpreted in two ways.

[Urban] Why?

[Sharin] Everything must be precisely recorded with regard to where union legislation begins to operate and what will be relegated to joint management. An example of joint actions is the draft, predraft training, and the deployment of troops. We must unfailingly include the republics'participation in the determination of the Union's military policy and in the solution of defense programs. Very good opportunities have been included here for the republics.

[Urban] In order to influence the center's policy?

[Sharin] That is not ruled out either. But I think that this is nonetheless a subject for a separate talk. And we have still not examined the previous topic. Thus, for instance, is it possible to divide the possession of nuclear weapons? Or take the structure of the Armed Forces. Of course, everything here should be determined by the Union.

[Urban] But how should this be formulated in the treaty?

[Sharin] I think in literally just a few sentences about how the building of the Armed Forces is solely the function of the central organs. But, returning to the previous question, I shall say that the center is not a mythical creation. The center is primarily delegated republican functions. Suppose the republics do not like today's center. The future Supreme Soviet in which, according to the draft Union treaty, the republics'positions will be very strong, will approve the government. Will the interests of the treaty's signatories be considered here? Undoubtedly. The USSR president will be elected. And that is how the center is formed.

[Urban] And then?

[Sharin] It will have specific powers delegated by the republics. And the center will start to see to the fulfillment of its powers and create the relevant laws. Within the framework of its competence the Union should produce its own laws whose operation in my view the republics do not have the right to suspend on their territories. And that should be enshrined in the Union treaty. So far there is no such provision in the draft. [Sharin ends]

N. Engver, doctor of economic sciences and member of the committee for the affairs of internationalist servicemen.

[Urban] As far as I know, Nikolay Nikolayevich, you are insisting on bringing the draft Union treaty into line with the results of the 17 March all-union referendum.

[Engver] Yes.

[Urban] A very complicated formulation of the question was submitted to the referendum. But as I understand it the main thing is to preserve the Union. What is your opinion?

[Engver] You know, in world practice there has not once been unanimity on how to raise a question at a referendum. It is a direct polling of the people. And the understanding of the question and the replies depend on a person's level of preparation. For us the main thing is: Will the Union be preserved or not? That is why people undoubtedly voted for the country to be preserved. For perestroyka to be implemented, to be renewed, but in this country. The percentage of those who said "yes" was very high. Western countries have not once achieved such an unequivocal result.

[Urban] So?

[Engver] It is precisely the results of the referendum which, it has emerged, now mean nothing. Everything for which the people voted is disregarded by the final version of the draft Union treaty. It begins with the heading itself. What will we have? A union of sovereign states or a Union state? After all we voted for a Union of Soviet Socialist Republics yet we are getting a Union of states.

[Urban] And defense?

[Engver] A common defense—it will be a structure of the NATO type, some kind of European-Asian bloc.

If we are speaking of the economic space, there will be something like the British commonwealth. That is there will be no Soviet Union, no Fatherland. There will be a different structure, a different world reality.

[Urban] Then a direct question, is the Union treaty necessary?

[Engver] It is. So that everything is clear I repeat once again that it is necessary. But not the draft formulated by the Novo-Ogarevo analysts.

The treaty is necessary on the basis of the principles supported by the people 17 March. A renewed Union is necessary. The Union was instituted in 1922, nothing needs to be newly instituted, the Union must be renewed.

[Urban] Your proposals on that plane?

[Engver] It was enough to adopt a new constitution according with the orientation toward a market economy, toward the dismantling of totalitarian political structures which suppress the freedom of the individual and human rights. That must be done. But then the treaty would be very brief.

The chapter on ownership could be replaced by a paragraph stating that questions of ownership are decided by the USSR Constitution and the constitutions of the republics on the basis of the principle of federalism. The same must be said of taxes.

[Urban] Your opinion of the future structures of union power?

[Engver] The fact that the Soviet of Republics of the future parliament will be appointed by the republics is a step away from democracy.

[Urban] Do you know that there is an alternative draft treaty which has apparently been elaborated by the Russian parliament committee for legislation?

[Engver] If it is the draft which states that the president of the Union should be elected not at nationwide elections but by a vote in the new Supreme Soviet, then I do know of that draft.

[Urban] In your opinion, to what is this alternative geared?

[Engver] Toward movement toward a confederation. The fact that virtually all representatives of the republics will elect the union president is a desire to create a community of states instead of a single state.

A president elected by the country's entire population is a counterweight to the tyranny and selfish desires of the republics. And he should be a counterweight.

Political & Social

Moscow Mayor Interviewed on Need for New Party

AU1807152391 Frankfurt/Main FRANKFURTER RUNDSCHAU in German 17 Jul 91 p 14

[Interview with Moscow Mayor Gavriil Popov by NOVOSTI correspondent Dimitriy Gaymakov; place and date not given: "As Fast as Possible. We Would Have Needed It Yesterday"]

[Text] [Gaymakov] Russia's democratic forces won a convincing victory in the elections on 12 June. Why is it necessary to found a new democratic party just now?

[Popov] I believe that we really won a victory in these elections. However, we must not get intoxicated with this victory, as far as its nature is concerned. We won the elections primarily because of Russia's extraordinary presidential candidate, Boris Yeltsin. The impact of his name was not smaller than that of our programs and plans. However, we must be aware that the democratic process cannot be ensured by one person alone, even if he is the most capable man possible.

In addition, the next year will be a period of fundamental changes, a year that will determine the fate of our country. A new Russian constitution is to be adopted next year, the law on local administration is to be passed, and new elections for the Russian parliament will be carried out. There will also be direct elections of the highest representatives of the executive bodies, of governors, mayors, etcetera.

Thus, we are facing a number of political activities that are closely linked with each other. However, such a task can only be solved in a short period of time by a well-organized democratic movement.

[Gaymakov] What should the organization be like whose founding you advocate?

[Popov] We do not need a party organization that is based on the principles drafted by Lenin. We need an organization that corresponds to the principles of a democratic republic with free people who become members of the organization. There must also be the possibility to form groups within the organization. For this reason, I believe that we must found a new party that should represent a unifying force. The most suitable name would be United Democratic Party. "United" because it unites various movements; "democratic" because it unites movements of a specific orientation; and "party" because it would assume certain obligations concerning discipline, organization, and work order.

[Gaymakov] Who will be allowed to join the party, and what will be the conditions for membership?

[Popov] The United Democratic Party will include all parties whose interests are completely in line with the tasks and the goals of the United Democratic Party. Parties that do not yet have clear concepts concerning

their ideals and views may be accepted as groups, but they should maintain their independence. In this respect, the new party must observe the principle of confederation and the principle of the independence of the parties of the republics that are members of the confederation.

[Gaymakov] Parties have different goals and tasks. How will this be solved?

[Popov] Last month I examined the programs of many democratic parties that are active in the USSR. I arrived at the conclusion that there are practically no fundamental differences concerning the tasks that they have set for themselves—at least not in the initial stage. Differences will emerge later, which will be linked with the fate of the country. Above all, the new party must be a party that advocates economic reforms and pluralism of forms of ownership. It must be a party that supports political liberties and democratic republics. It must be a party that promotes a federative state of the peoples who must be sovereign but who have decided that they want to shape the future jointly. For this reason, I consider the founding of the United Democratic Party very topical at this point. In this way, we will be able to take a qualitatively new step in the development of a democratic movement. If we want to be a real force that represents a counterforce to the CPSU, we must have the courage to unite ourselves to achieve this goal.

[Gaymakov] How much time will be needed to found the new party?

[Popov] I can only give you my personal opinion: It must be founded as fast as possible. We would have needed it yesterday.

[Gaymakov] Will it be a party with many millions of members, like the CPSU?

[Popov] No, we do not want a party with millions of members. Half a million are sufficient.

[Gaymakov] However, are the democratic parties of Russia and other republics able to ensure the founding of a party with half a million members?

[Popov] Of course there are no such forces at the moment. However, there is the democratic party of Nikolay Travkin, the Republican Party, the Social Democratic Party, which will also discuss this issue. In addition, there are a number of different movements within the CPSU—the "Communists for Democracy," for example. Thus, from an organizational viewpoint, there is a sufficient number of movements that could form the basis of the new party.

At the same time, an enormous number of people, particularly constructively thinking economic managers, intellectuals, and others, could actively participate in the work of such a party, particularly if they see that a serious project is involved that may influence the country's fate to a great extent. As a matter of fact, it is not always possible to obtain precise information about the one position or the other. However, if a party exists that is based on fundamental democratic principles it will win the support of a great number ?f people with neutral positions.

[Gaymakov] Do the founders of the party plan to "break out" part of today's CPSU members?

[Popov] I think that one must indeed set such a task for oneself. For me it is completely clear that the CPSU ceased to exist as a unified party a long time ago. This has become sufficiently clear during the elections in Russia and particularly in Moscow. The CPSU did not even succeed in nominating a common candidate. Several candidates were nominated.

I see important figures among the common party members, within the apparatus, and at the highest level who have realized the need for a qualitatively new phase. I believe that it will be possible to find many people there who are willing to work if they consider the program of the new party constructive, if the new party develops into an organization with a sense of reality, into a party with a minimum of tasks that can be solved today. Of course, we can hold long discussions about future Christian or socialist ideals. However, we are in agreement that we must provide food for the country within the next three years and that we must make our currency convertible. Why should we discuss future developments? It is important to do the things that must be done at this point, on which we all agree. Thus, we must join forces to be successful.

[Gaymakov] Recently the USSR People's Deputy Galina Starvoytova said in an interview for Radio Liberty that she thinks that Mikhail Gorbachev also supports the founding of a new democratic party. Can you confirm this?

[Popov] I do not have any facts to confirm this. However, I have more than enough facts to refute it. He is general secretary of the CPSU and still working in this party.

[Gaymakov] There have also been reports that the new party might be founded to support Gorbachev in the union elections. What do you think?

[Popov] I cannot answer this question because the new party itself will have to decide that in future elections. However, it is quite obvious that not a single party—this also applies to the CPSU—can exist in the Soviet Union today whose only aim is to support Gorbachev. Support for Gorbachev and the attitude toward his person is determined by the position he holds, or to be more precise, by what goals of what party he supports.

[Gaymakov] The blurring of the standpoints about membership in the new party makes it seem conceivable that it will be of a temporary nature. Is such an observation correct?

[Popov] Yes, quite correct. I think that this will be a party of the transition period. The parties in the other countries—be they republican or democratic parties—

are election parties today, that means parties that form the platform of certain groups and strata of society, hold elections, and after four years set up the goals for a new round of election.

We need a party that is striving for victory at the elections. Afterward, it should distance itself from power to a certain degree. It should not bear responsibility for specific decisions by the organs of power. It should have a free hand to criticize, if necessary—including its own members who are running for the next elections. This is not a party of control over the administration but, specifically and above all, an election party.

[Gaymakov] Are you afraid that the founding of the new party will lead to a split in the democratic movement?

[Popov] There are already the most varied movements within the democratic movement, which differ strongly from each other and are sometimes even completely contrary. This results in two things. First: It makes it easier for the conservatives and also for the reaction to struggle against the democratic forces. Second: It confuses the population, the simple citizens, who are not able to see through the reasons of the conflicts and controversies. The people are increasingly suspicious that these conflicts do not have any serious reasons but are due only to some accidental factors. From this point of view, the founding of a respected big party will be a step forward toward consolidating the democratic forces.

At the same time, I am certainly aware of the fact that other parties will continue to exist that will not join the United Democratic Party. Parties will remain in existence, which will act in alliance with it at the elections. There will also be completely independent parties. I think that this is completely normal. (...)

[Gaymakov] Will the new party have a social democratic orientation?

[Popov] No, rather a democratic one.

[Gaymakov] Why should a new party not be founded on the basis of an already existing one, such as the Russian Republican Party?

[Popov] Because several other parties exist beside it—the Democratic Party, the Social Democratic Party, and others. It would be logical to use one of the existing parties as a basis if this party were a mass party and the others were to join it. The variety, which we propose, does not infringe on the interests of any of these parties. None of them will be able to consider its actions as the victory of one party or as the defeat of another one. I think that in the course of the discussion the Republican Party will find the strength and determination to join the new party. I do think so. At least as a faction with its current structures.

[Gaymakov] What will be the basic difference between the new party and "Democratic Russia" as a movement?

[Popov] Narrower goals and guidelines. "Democratic Russia" as a movement is a union of, I would say, practically all forces that are in opposition to the CPSU, with the whole range that exists there. This is sufficient to repel the attacks, but it is not sufficient for a constructive move forward.

[Gaymakov] Could President Gorbachev turn away from the CPSU today and join the new party?

[Popov] Regarding the first part of the question, I think that he should have done that several years ago. However, which party he should join is his business.

Pavlov Suggests West Aid in Ruble Convertibility

PM1807154291 Stockholm DAGENS NYHETER in Swedish 17 Jul 91 p A4

[Article by Soviet Prime Minister Valentin Pavlov: "Convertible Ruble More Important Than Aid"]

[Text] Naturally President Mikhail Gorbachev's meeting with the "Seven" is attracting great interest everywhere in the world, even though reactions are not uniform. In the Soviet Union, too, a significant skepticism has left its mark on prognoses and analyses. For my part, I think that the visit should have a constructive character. However, it is also the case that the greatest hopes should be pinned on our own country's potential and not to aid from outside.

The Soviet Union's economic policies should be based on the new program which has been put forward by the USSR Council of Ministers and which is designed to extricate the country from its crisis. The great advantage of this program is that it concentrates on enterprises and agents in economic life. However, the program has been put together in such a way that it cannot begin to take full effect until a Union treaty has been signed. Even the little step that we have succeeded in taking by introducing the crisis program is very important here—it was impossible to delay the implementation of the program any longer.

Thus, President Gorbachev is taking with him to London the crisis program of the Council of Ministers plus some elements from other proposals that have been put forward. The "Seven" will therefore be able to acquaint themselves with the best from all the democratic ideas that have been put forward. Prior to Gorbachev's trip, work on this material continued uninterrupted and, in my view, could also continue in London if new proposals surface during the talks.

To deal with this latter possibility the president is taking with him a "support group" which includes highly qualified specialists such as Medvedev, Sitaryan, and Shcherbakov. Each of them has his own views, but together they are capable of reaching the most rational solution.

The most important aim of Gorbachev's trip to London is, as has been said, not to extract more aid from the West in the form of credits and loans but, rather, to secure political support. However, we must solve the most important questions on the spot, that is, in the Soviet Union.

The question with which the West could primarily help us is the convertibility of the ruble. Without domestic convertibility, we cannot, for example, solve the question of how monopolism is to be combated and a multistructured economy created in the country. We will make the transition to convertibility regardless of the views of the West, because otherwise the country's economy cannot be developed further. But with aid from the capitalist industrialized nations, the process will be simpler and less painful.

It is very possible that the question will also be put in this way at the meeting with the "Seven," because a situation similar to the one we have in the field of finance also characterizes most other branches of the country's economy.

Cabinet Discusses Fuel, Energy Industries

PM1807145791 Moscow SOVETSKAYA ROSSIYA in Russian 18 Jul 91 First Edition p 2

[Report by TASS observer B. Grishchenko: "At the USSR Cabinet of Ministers"]

[Text] The problems examined at a regular session of the USSR Cabinet of Ministers, held 16 July under the chairmanship of V.S. Pavlov, head of the Union Government, should with good reason be regarded as paramount.

Our fuel and energy complex is the basis of the national economy and of the country's life support. Its sectors are the main "producers" of the currency of which we now have such an acute shortage.

However, the complex itself has ended up in a difficult financial position. These figures, for example, were cited: The shortage of funds amounts to 15 billion rubles [R] for oilmen and R8 billion for gas workers. Given the drop in coal extraction, it is necessary to resolve at all costs questions of funding the energy sectors without delay.

The USSR Cabinet of Ministers Presidium has approved a package of such decisions, with whose help the uninterrupted working of oilmen, gas workers, geologists, and construction workers serving the enterprises of the complex this year will be ensured. Provision has been made, in particular, for the arrears of enterprises, associations, and organizations under bank loans to be written off and for a number of other measures aimed at strengthening the financial position of the complex under conditions of the transition to the market.

The draft Fundamentals of USSR and Republic Timber Legislation were examined. They are based on recognition of the global ecological role of the planet's green cover. The fundamental novelty of the draft's approaches is that forests are regarded not only as vegetation but also comprehensively with the land which they occupy. Such a viewpoint is essential in the reform of ownership relations. The need to set aside as federal forests tracts that are particularly valuable scientifically and culturally was emphasized.

The new management conditions are also changing significantly the approaches to resolving the housing problem in the country. Obviously, the Cabinet will have to return many more times to specific steps to resolve the package of these questions. This time its special attention was concentrated on the need to accelerate the development of the material-technical base of housing construction. Its chronic laggardness is holding up the resolution of a growing social problem.

Additional measures to perpetuate the memory of Soviet people who died while defending the motherland were also examined. Competent structures will be set up to take steps connected with this.

CPSU Secretariat Discusses Local Party Work

LD1907094291 Moscow TASS International Service in Russian 2020 GMT 18 Jul 91

[Text] Moscow, 18 Jul (TASS)—The question of the work of party organizations at the population's place of residence was examined at the CPSU Central Committee Secretariat.

It was noted that the increase in attention given to work at the place of residence had been occasioned by such important circumstances as the change in the structure of production, the development of small businesses and cooperatives, the spread of home-based work, and other real-life changes that were taking people away from large collectives. There was the development of various forms of self-government in the territories, which were becoming a real factor in the population's self-organization. There was also the sharply growing role of electoral campaigns, during which decisions were made with a high level of civic activity on the part of the population.

Attention was drawn to the need to structure the work of party organizations in accordance with the place of residence, bearing in mind the various social and professional categories of the population, and especially young people, women, and veterans. It was important, speakers noted, that party organizations increase attention to solving questions posed by the population relating to public utilities, consumer services, trade, and the fight against crime. There were many specific areas for the application of their resources—from help for veterans and large families to the organization of control over the services sphere.

At the same time, it was stressed that the party was strong by virtue of its influence within labor collectives, and so the measures being proposed should most certainly not be regarded as shifting the center of gravity of party work. Party organizations had every legality of their presence at enterprises and in organizations and institutions, which, as is known, was guaranteed by the USSR law on public association.

The decision that was adopted notes that work at the place of residence is assuming great and fundamental importance currently and must come to be one of the main directions of party activity.

Procedural Aspects of Union Treaty Viewed

PM1907093091 Moscow IZVESTIYA in Russian 17 Jul 91 Union Edition p 2

[Article by Doctor of Juridical Sciences Professor B. Lazarev: "Union Treaty. What Next?"]

[Text] As a result of substantial work done by the Preparatory Committee, deputies, and legal scientists, in the course of debates and the surmounting of disagreements on a number of questions, the draft new Union treaty has been drawn up and finalized. It has begun to be discussed in the republics' Supreme Soviets. There is every reason to believe that the new Union treaty will be concluded in 1991. And the closer we come to that historic event, the more pressing are such questions as the procedure for signing the treaty, the procedure for bringing it into force, and the safeguarding of the continuity of power and constitutional law and order.

There is no doubt that the parties to the treaty are soviet republics and sovereign states. Therefore the Treaty will be signed primarily by their plenipotentiary delegations. But the highest Union organs also cannot be excluded from the treaty process. This stems from the fact that the conclusion of the new Union treaty does not mean the abolition of the existing Union and the creation of a new one out of nowhere. The union continues to exist, after undergoing a radical reform. As the preamble to the draft new union treaty states, the republics party to it have "resolved to build their relations within the Union on new principles."

It is proposed that the Union treaty will come into force from the moment of signing (Article 23). But the new USSR Constitution will not have been adopted by that time. It will be necessary to complete work on the draft Constitution on the basis of the new Union treaty, as the latter demands. As a result a time conflict will arise between many articles of the "old" USSR Constitution and the new Union treaty. Who has the power to resolve this contradiction? The body that presently has the right to make amendments to the USSR Constitution: the Congress of USSR People's Deputies.

Consequently it is necessary first of all for the Congress to adopt a law stating that the USSR Constitution will continue to apply insofar as it is not in conflict with the Union treaty. But that will be a solution only for the transitional period. The quetion of who is to adopt the new USSR Constitution then arises. The draft Union treaty that was published earlier stated that the new constitution is to be adopted by a congress of representatives of the states party to the treaty (Article 9), that is, a body resembling a Constituent Assembly. But under the existing Fundamental Law a new constitution may only be adopted by the body empowered to do so, that is, the Congress of USSR People's Deputies again, and no one is entitled to supplant it (Article 108 of the USSR Constitution).

Several conclusions can be drawn from this. The draft Union treaty should, in our opinion, be discussed not only in republic parliaments and the USSR Supreme Soviet, but also at the Congress of USSR People's Deputies, after which the congress would elect a delegation (of the USSR) to sign the Union treaty. Its signature would not, of course, be juridically equivalent to the signatures of the republic delegations; they represent their republics, the components of the renewed Union, while the delegation of the Union Congress would thereby be expressing its consent to the treaty's content and its consent to the repeal of the old constitutional principles and the introduction of new ones. It is also necessary for the Union treaty to be signed by the USSR president, since under the existing USSR Constitution he is the head of state—of the USSR—and represents the Union both within the country and abroad (Articles 127 and 127/3).

After the new Union treaty's entry into force, the existing Congress of USSR People's Deputies should adopt not only a new USSR Constitution, but also, on its basis, a Law on Elections to the USSR Supreme Soviet (because the new version of the Supreme Soviet will henceforth be the sole organ of legislative power in the USSR, since the draft Union treaty does not provide for the future formation of such a body as the Congress of USSR People's Deputies). And only when the new USSR Supreme Soviet starts work will the opportunity and need arise to declare the powers of the existing representative Union organs of power—the Congress of People's Deputies and the USSR Supreme Soviet— to be exhausted. After all, the USSR cannot be allowed to be left temporarily without a supreme organ of power. The new USSR Supreme Soviet will then form other Union organs within the limits of its competence, and will also adopt the Law on Elections of the USSR President. As a result of all these actions, after a certain time, the renewed system of USSR organs stipulated by the Union treaty and the new USSR Constitution will become a reality.

Ultimately the radical reform of our country's national-state structure and the transfer of power from the "old" to the new union structures will thereby take place by lawful means.

The proposals sometimes put forward in the press that the existing Congress and USSR Supreme Soviet should

be dissolved immediately after the signing of the new Union treaty and some kind of "transitional organs of powr" created in their place should be rejected as contrary to the constitution.

'600 Seconds' TV Program Conflict Viewed

PM1807104591 Moscow SOVETSKAYA ROSSIYA in Russian 17 Jul 91 First Edition p 6

[Report by correspondent A. Molokov: "Aleksandr Nevzorov: They Betrayed Us"]

[Text] Leningrad—For several days now there has been rejoicing in Leningrad's "democratic circles": Their chief enemy—Nevzorov—has at last been laid low, almost laid low. With a morbid bias, the independent press of Leningrad City Soviet and the mayor is relishing the details of the conflict that has taken place in the "600 Seconds" program. Newspaper reports resemble frontline communiques about cities taken from the enemy—one more employee of the "600" independent television company has left Nevzorov, someone else has tendered his resignation, another has announced that he is ready to leave Nevzorov.

Passions are running high.

So what, after all, happened at the "600" independent television company? Seven employees left it: Producer (commercial director) Borisoglebskiy, presenters Medvedev and Zagorodnyuk, and also a director, an assistant director, an editor, and an administrator, who worked directly with them. No one has left Nevzorov's film team, and no one yet intends to do so. What is more, approximately 40 volunteers have expressed a wish to join his program.

A common situation in a creative collective, you might think: They did not get on in terms of principles, views, or characters and so, quite naturally, they decided to part company. But why does the "democratic" press persist in denouncing Nevzorov, and why does it abuse its own journalist colleague in terms that are slightly nauseating?

But this very fact attests that the conflict at the "600" independent television company was not provoked by the partners' bestirred ambitions and does not boil down to just personal hostility among the leaders of the independent television company, but that it is driven by very influential forces. Nevzorov himself explains what happened as follows:

"People have left whom I trusted, whom I regarded as very close, and with whom I had been associated for many years.

"The reasons? It is known that 12 June marked a victory for the power, with which I had always been in confrontation and which, in general, has no intention of tolerating our program. No power likes the truth about itself, and the power of the 'democrats' abhors it all the more categorically.

"I can, of course, understand those who have left—some were offered a higher, prestigious post and independent broadcasts, while others took fright. And some were simply chance people with us. But they abandoned the program at a most difficult time for it. Therefore I consider that they betrayed us."

The campaign against Nevzorov did not begin yesterday or even a month ago but after he showed the Vilnius events in January of this year.

It is another matter that totally undisguised persecution, well thought out and planned and skillfully directed, has today been mounted against Nevzorov. And in this connection I would like to point to an article entitled "Wax Museum: Proprietors and Exhibits" in the local newspaper—again, naturally, an "independent" one—NEVSKOYE VREMYA on 22 June this year. Its author interviewed Attorney Yu.M. Shmidt, who kept talking for almost an entire newspaper page. And he said a lot of foul things about Nevzorov, exposing his "work as an agent" in fulfilling a mission for "the shadow center of power, whose nucleus includes the leaders of the Russian Communist Party, the military-industrial complex, and the KGB." But veritable pearls also shone in this pile of dung. "Nevzorov's 'wax museum' appeared under the title 'Betrayal' before the 17 March referendum," Yuriy Markovich candidly revealed. "That March broadcast was really disgusting. Sobchak was to appear on television the next day. I telephoned him and told him about this subject of Nevzorov's, which was shown, clearly not by accident, before the referendum itself and which had an overt anti-Yeltsin, anti-Russian thrust. Sobchak said that he would come to the studio, watch a recording of the transmission, and, if he deemed it necessary, answer all the attacks in a personal appearance. But he did not answer them or even mention them. From that moment I have proceeded from the premise that Nevzorov is the enemy. Of course not my personal enemy, but a very dangerous one.... His general line is perfectly clear and distinct: To undermine trust in the democrats, to deny them of people's votes and souls.... I hold Nevzorov particularly responsible for antidemocratic propaganda.... Despite everything, he is still capable of influencing people's minds and emotions and, possessing undoubted talent, he uses it for black deeds and puts his entire black soul into these deeds.... His actions pose a threat both to public security and to public morality. **It is time to put an end to this**" (my emphasis—A.M.).

And so, on 22 June war was declared on Nevzorov. And all subsequent events have clearly confirmed this. The organizers' reckoning is simple—there is no need to ban the broadcast. Why, for we have glasnost and freedom of speech! But it is necessary to leave Nevzorov one-on-one with "600 Seconds" and impose on him a broadcasting regime under which, sooner or later, he himself will break. And it has to be said that Nevzorov has already been forced to abandon one broadcast, the "Wax Museum."

"I do not have even an hour to ponder or to interpret and gather profound and serious material for 'Wax Museum,'" Aleksandr Glebovich says.

And yet, despite everything, Nevzorov is full of optimism:

"'600 Seconds' will live and, whatever it may cost me," he says, "it will go on the air and broadcast the only truth, our truth, about the city, about the new power, about the unprecedentedly degraded state in which the people find themselves, and about the fact that our country is being destroyed."

It is precisely this stance of Nevzorov's, above all, that arouses the hatred of his enemies and elicits a spiteful desire to shut his mouth. But we have glasnost! And the leadership of Leningrad Television is perfectly well aware that Nevzorov cannot be gagged in the usual way perfected over decades. Therefore, as B. Petrov, director of Leningrad Television and Radio Company—who, incidentally, was head of the city CPSU committee Agitation and Propaganda Department—declared one day, a contract is now being drawn up according to which the television and radio company will act as the client and will use programs prepared by the "600" independent television company, as well as by any other companies, if they are pleasing and necessary to us. To whom—us? The question is probably clear: It is evidently not for nothing that people in the corridors of the television center have long been saying that Petrov has become Sobchak's favorite.

Treachery, as is known, is always rewarded. And not just with 30 pieces of silver. Those who left the "600" independent television company were very opportunely invited to make a fascinating trip to Kiel on board the Anna Karenina, a new ferry ship of the Baltic Sea Shipping Company. Among the worthiest people of the northern capital. Together with A. Sobchak.

And one final point. "There used to be a tradition in the Russian Army and Navy, albeit not a very well-known one, to present one's own order to a comrade who has deserved it, without waiting for the decision awarding it to him. Please do me the honor, Aleksandr Glebovich, of accepting my Order of the Red Star as a token of your contribution to something that is dear to me too. I received it for a difficult and long voyage by submarine across two oceans. May it serve you as some kind of moral support at a difficult time and as a material expression of the fact that your cause is needed by people and the state. My dear motherland, when will you wake up, turn your gaze upon our affairs, condemn the guilty, and yourself reward the worthy?!"

I believe that this letter and the seaman's order sent to Nevzorov constitute the highest recognition of the journalist's work.

Chernobyl Mortality Level Claims Challenged

PM1807113791 Moscow IZVESTIYA in Russian 17 Jul 91 Union Edition p 7

[Report by S. Leskov: "On the Subject of the Reactor: Facts and Speculation"]

[Text] A conference based at the Scientific Research and Design Institute for the Power Industry, the largest in the sector, has been held in Moscow with the participation of Swedish, Finnish, and Soviet experts on the issue of safety at nuclear electric power stations in the Baltic Sea area. But the problems turned out to be more wide-ranging: sensational information about the Chernobyl accident was made public.

The USSR has three nuclear electric power stations in the Baltic Sea area, of which the Kola station is one of the oldest, the Leningrad station has the same design as Chernobyl, and expansion of the Ignalina station has not been ruled out. On the other hand, the introduction of the Swedish moratorium on the nuclear power industry, which was probably our "green" movement activists' main trump card, has been postponed. Public opinion polls show that increasing numbers of Swedes are in favor of nuclear power. This is connected with an unwillingness to reduce their prosperity, and also with the safety standards of Swedish nuclear electric power stations, which are among the highest in the world. Is this example not a way out of the situation for us as well?

Statements made recently in Great Britain by V. Chernousenko, a senior scientific associate at the Theoretical Physics Institute of the Ukrainian SSR [Soviet Socialist Republic] Academy of Sciences, provided a pretext for discussing Chernobyl: Mortality among workers involved in the liquidation of the accident is extremely high. He cites figures as evidence: Between 7,000 and 10,000 people have died from radiation sickness over a five-year period, whereas it is officially claimed that only 28 people died. So is officialdom once again concealing the true scale of the tragedy?

The evidence cited was of interest to Dr. Evelin Sokolovskiy [name as transliterated], a staffer at the Swedish Nuclear Safety and Personnel Training Center. According to official sources, a total of 660,000 people worked as liquidators at Chernobyl. About half of these were servicemen, mostly "reservists," the rest were workers. For example, during its initial stage miners were enlisted, carrying out the difficult task of stabilizing the reactor and preventing the molten fuel from penetrating into the groundwater.

According to an analysis made by E. Sokolovskiy, which took a very wide range of parameters into account, 870 people might have received radiation doses that exceeded the limit. This patently contradicts V. Chernousenko's data. Besides which, E. Sokolovskiy has made extremely careful calculations relating to the natural mortality rate in age groups similar to those from which the Chernobyl liquidators came. It became

apparent that the mortality rate cited by V. Chernousenko was within the norms for these age groups in the USSR—in a sample of 500,000 middle-aged men, about the same number would die even without any kind of accident.

In the opinion of the Swedish specialist, this does not mean that there is nothing wrong with the people who worked at Chernobyl. The official statistical data is vague in many places. For example, the mortality rate among miners who were engaged in liquidation work might be higher than the normal mortality rate among the male population of the USSR. The same applies to the liquidators who came to Chernobyl during the first and most dangerous phase of the work. Research in this field has not yet been carried out. But the conclusion is not open to doubt: The figures cited by V. Chernousenko, which had such a shocking effect on a section of public opinion, are inaccurate to say the least.

I asked S. Ivanov, chief of the radiation medicine department at the USSR Health Ministry, to comment on the Swedish experts' calculations:

"Our research also bears out the fact that the mortality rate among Chernobyl liquidators does not exceed the average statistic across the country in these age groups. For example, 1,134 liquidators died in 1990 compared with a 'natural' mortality rate of 1,180. An analysis of the mortality rate among liquidators in all republics was also conducted, and in every case it turned out to be less than the average level. This information was published, and a special stand was set up at the Exhibition of National Economic Achievements. Why then all these distortions and stirring up of unhealthy anxiety? The experts fundamentally disagree with V. Chernousenko on the reasons for mortality among liquidators, and there are no grounds for speaking of mass radiation sickness. We are not simplifying the problem: There has been a history of illness; about 100 people have fallen ill, and there were 28 deaths at the initial stage. But where did a figure of thousands come from? The figures have obviously been juggled. Neither does the statistic for suicides and accidents among the liquidators exceed the average—11 percent of all deaths compared with an average countrywide figure of 8-16 percent. In this area, however, it seems to us that a more thorough scientific study should be carried out. We would like to caution public opinion against excessive credulity and sensationalist statements relating to what is indeed an extremely complex problem."

TASS Reviews 19 Jul Soviet Central Press

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["Soviet Press Review"—TASS headline]

[Text] Moscow July 19 TASS—Today's newspapers focus on President Mikhail Gorbachev's visit to London and his talks with British Prime Minister John Major.

PRAVDA and KRASNAYA ZVEZDA carry transcripts of a joint press conference held by John Major and Mikhail Gorbachev.

PRAVDA publishes speeches Gorbachev and Major exchanged at a luncheon in Gorbachev's honour.

"Summing up what has been achieved in London and, consequently, what Mikhail Gorbachev will bring to Moscow—this is, in addition to an important dialogue with the Seven, an agreement to hold the Soviet-American summit in Moscow, and to sign a START treaty, long sought by both sides. All this is very optimistic," PRAVDA writes.

A new foundation for global relations are being laid in London and the Soviet Union is given the role of a partner, rather than a rival, KRASNAYA ZVEZDA writes.

PRAVDA comments on economic statistics for the first half of 1991, released by the Soviet Committee on Statistics.

The economic situation is very complex. Gross National Product fell by ten per cent this year, Gross National Income—by 12 per cent and productivity—by eleven per cent, PRAVDA writes.

Industrial output fell by 6.2 per cent, it says.

KRASNAYA ZVEZDA comments on the deadlock at the Russia's Congress of People's Deputies.

The newspaper carries an interview with Moscow air defence commander Colonel General Viktor Prudnikov. The Soviet Army has systems similar to U.S. Patriots missiles, Prudnikov said.

Writer Sergey Yesin writes in RABOCHAYA TRIBUNA about the fate of Soviet intelligentsia.

RABOCHAYA TRIBUNA also runs an interview with Viktor Barinov, general director of the Solikamsk paper plant.

PRAVDA carries a report by the Soviet Communist Party Central Committee press centre about a meeting of the Communist Party Central Committee Secretariat to discuss the work of party organisations.

SELSKAYA ZHIZN comments on this year's harvest.

Grain has been reaped on eight million hectares in the Russian Federation, compared to 5.6 million hectares last July.

TRUD carries an article by Soviet Gospromatomnadzor Nuclear Safety Agency spokesman Yu. Rogozhin about the Soviet nuclear- powered fleet.

Some 1.4 million young people aged 16 to 30 do not work and do not study, KOMSOMOLSKAYA PRAVDA reports, commenting on unemployment among young people.

PRAVDA interviews Georgian Prime Minister Tengiz Sigua, who speaks about relief efforts following a devastating earthquake that shook the southern Soviet republic. Sigua thanked residents in Armenia, Azerbaijan, the Baltic republics, Chechen-Ingushetia, Moscow, Leningrad, Kharkov, Kiev and Russia for helping quake victims.

PRAVDA comments on relations between the Soviet Union and China.

Other stories focus on developments in Yugoslavia and other countries.

Economic

Prime Minister Pavlov on Joint Action Program

PM180717309l Moscow IZVESTIYA in Russian 19 Jul 91 Union Edition p 2

[Interview with Prime Minister V.S. Pavlov by IZVESTIYA correspondent R. Lynev—date, place not stated: "Choice of Ends and Means"]

[Text] [Lynev] Valentin Sergeyevich, if you reduce the observations of a number of the program's critics to their common denominator, it goes something like this: The program sets three groups of goals hardly compatible with each other in terms of their content. Indeed, maintaining the economy at a certain level to avoid a recession—that is one avenue, requiring mainly administrative measures: the maintenance of established ties, the state order. The second avenue is accelerated progress toward the market, and thus the abandonment of administrative pressure methods, which in the first instance leads to precisely the opposite result—an inevitable decline in production volumes. Finally, the program's third avenue, the social protection of working people, is incompatible with the second: After all, a recession hits the working people, rather than protecting them. Do you agree that these are real contradictions? And if so, how can you base a program on them?

[Pavlov] I think the majority of serious economists and politicians today recognize that in order to extricate ourselves from the crisis, we could, in principle, return to the old, administrative command system. In that event production volumes would even be restored to some extent. At what cost? That is also clear: at the cost of harsher (not stronger) discipline.

But the majority I am talking about is itself divided, in a ratio of approximately one to ten. The one-tenth is represented notionally by Professor Sergeyev and Nina Andreyeva. The remaining nine-tenths understand that "stabilization" achieved by such means is like the well-known phenomenon in medicine, when the patient's condition improves before his death.

The minority I am talking about perceives perestroyka as a kind of pattern superimposed on life, whereas it is in fact an objective necessity of life, comparable to the natural choice of medicine by a sick organism in creatures close to nature—sick animals, for instance, instinctively find the herb they need; children, when the organism requires it, unconsciously nibble lime. In roughly the same way the sick organism of our society began a spontaneous struggle for life: intelligent forces joined in, of course, and the outlines of perestroyka began to take shape. Perestroyka in economic relations requires a change in political relations, that is, production and distribution relations and management relations. And the correlation within this range of questions is far from straightforward. Meanwhile society is hardly concerned at all with questions of orthodox Marxism.

[Lynev] Nonetheless fierce disputes are in progress, with rigid divisions into left-wingers, right-wing conservatives, radicals, the left center.

[Pavlov] I think these demarcations constitute a sphere of political struggle. The struggle over the choice of path. They remind me of disputes familiar from history, between the more radical section of social democrats, the Bolsheviks, and the moderate section, the Mensheviks—Lenin's disputes with Plekhanov, with the legal Marxists. But I like the polemics of those days better than today's: In those days people did not mix up their terms, and the content did not amount purely to pinning labels on people. That is to say, the polemics were more honest and open.

What about us? What are we changing, and into what? In my opinion, the established system in our country is strongly reminiscent—although it is not fashionable nowadays to refer to the classics of Marxism, I will do so—of the state-monopoly capitalism described in Lenin's works, which, in its initial stage of development, rapidly gathers speed and crushes competitors, and then enters the period of decay. If that is true, then by elevating the state monopoly to some kind of overall absolute status over one-sixth of the globe, we arrived at stagnation. The solution is clear, on the whole: destatization, privatization, demonopolization, the building of a mixed economy. That is, not a solution that entirely rejects state ownership, which exists nowhere in the world, but one that combines it with other forms of ownership. Incidentally, I do not think we need to build a mixed economy, but to go back to it, only at a new, higher level. And here we must determine by what route and to what level we should go back to it. The criterion here, as in any serious science, should be results, and not who shouts loudest or who most savagely berates those who disagree.

[Lynev] The trouble is that disagreements, as a rule, are exaggerated as a result of polemical overstatement. In these circumstances, the center as a possible unifying force does not exist—it becomes polarized. But coming back to the criterion, how is your proposed criterion to be applied? Do we wait for the results?

[Pavlov] Science and experience have sufficient material to predict the results. Thus, if we choose the radical

option, it will lead to a rapid breakup into individual building blocks, to the "atomization" of the economy, as people say nowadays, and we will not be able to escape a very profound recession and the consequent emergence of a great many small regional markets. Basically, it will lead to the stage of initial accumulation of capital, when it is pointless to speak of any kind of social protection. In effect this is a return to where we started, when serfdom was abolished and the long process of overcoming feudalism and its consequences began—until the formation of a single Russian market, which had not become established even by 1914, and then during the Civil War everything fell apart again, and the market had to be reestablished.

[Lynev] But radical options are linked not with the need to establish a single market from above, but with mutual economic interest, gravitational forces integrating the disparate into a single whole.

[Pavlov] But who can accurately predict the nature and orientation of tomorrow's economic interests? Where is the guarantee that everyone will be drawn back to the links that were previously developing? That the components of the market will not try to find new, more advantageous ones for themselves? And never mind tomorrow—we can already see today, from the example of a number of republics and regions, that many centers of economic and, indeed, spiritual and even political gravity are changing. And this is actively influenced by new factors that did not exist at the earlier stages of formation and restoration of the market. So the restoration that some people hope for is not as simple as all that.

[Lynev] What premises did the compilers of the program start from in substantiating a different route to the market, different means of achieving that end?

[Pavlov] First, that the transition to the market is inevitable. And second, that to ensure the speediest and least painful transition, we must choose the right fulcrum. We believe that the country's production forces are sufficiently developed to enable us to make the transition to the market without a decline in the living standard. At least, with it remaining at the level of the eighties. How? Thanks to structural perestroyka in our economy. And that is what we chose as our fulcrum.

The question that arises here is: What do you actually regard as a decline? How can it be calculated? A decline in gross commodity output is one thing. But let me tell you frankly: We have actually set the following task—let there be as little as possible costly gross output generated through remaking things (double counting). And let raw materials be used as much as possible to produce end products. Assessed in terms of value, this means a reduction. But in terms of "things," the things that go toward consumption and accumulation, we can and should hold our ground. The more of this kind of product, of course, the more reliable the social guarantees, if you think about it.

A second thing we were very clearly aware of is this: We can maintain consumer expenditure by changing the composition of production. To put it crudely, everyone knows that clocks and land mines are produced at very similar production facilities. There are types of powders whose production can easily be restructured to produce detergents. If we do not need tanks in the same quantities as before, instead of costly armor plating we should produce cold-rolled metal for cars. Again a decline—in value, but certainly not in consumption. The same applies to our other indicators, for the production of coal, steel, oil, and gas, which, impressive as they are, are at the moment largely useless to the consumer market and do not add to it.

In this connection it is relevant to ask: What is the market for us, anyway—an end or a means? We hold unequivocally that the market is a means, and the end is to improve the population's life. The quicker we accomplish the transition to the market, the greater the chance of avoiding a fall in living standards and beginning to boost them. Why? Because when you are working for the market, no one is going to make you work to supply goods that will stay in the warehouse. Formerly, it was sufficient to have your output in the plan. It did not matter whether the consumer needed it or not—the state paid the producer for it. That was the point of the system, and its flaw. In a market system, you own the output, I own the money. A new attitude, characteristic of the market system, arises among owners. Hence the main prerequisite of the entire program: You, the producer, change the structure of production in such a way as to find a buyer for your output. You will not achieve that by means of any plan-based improvement of production. An example close to your heart: A great deal has been written about the shortage of clothes for children and old people. An eternal theme. But while the end result was paid for according to the materials used to produce these goods, rather than according to the labor, it was disadvantageous to produce them—the producer did not get enough, and did everything possible to avoid the price imposed by the plan. Just as it happens today, even with a barter system: The price set from above for a tonne of metal is one thing, but in the process of exchanges between the metalworkers and the meat combine, it is another. Meat is valued in a different way from metal.

[Lynev] In speaking of the joint action program and of the approaches placed at its foundation, you say "we." Who are "we?"

[Pavlov] They are the numerous collectives of elaborators who spent more than a month, more than a year even, "digging" each at his own specific angle, thoroughly studying his own part of the problem from the very foundation. Hence the collective establishment of a "diagnosis" for the economy. Since today we have had medical analogies, then the program is the medicine. It had to be not only chosen and prescribed but also produced and recommended to the treating doctor and used correctly.

As for the individual but very talented and knowledgeable people and even groups, as a specialist I do not believe they are able, replacing the laborious fundamental work of the big collectives, to create in a month a program for a country like ours.

[Lynev] In speaking of the Russian program I.S. Silayev frequently stressed that it has been assessed highly by international-class economists. I have not heard anything similar about the joint action program.

[Pavlov] Both I and my colleagues on meeting repeatedly with our foreign counterparts and indeed on reading our press have often been surprised at how readily and generously various programs are assessed without having been read.

Look: Both our program and G. Yavlinskiy's program which, incidentally, has not been submitted to the state experts, have been published in the press only recently, yet verdicts began to be heard on them both a month or two ago. If it is the government program then it is clear, people say, that it is bureaucratic resistance to reforms. If it is the alternative program, then people are writing about it as the last hope for society. Is that really serious?

At the stage of our program's preparation groups of scientists and specialists carefully studied the experience of Hungary, Poland, Britain, and Japan. In turn we enabled specialists from the IMF and the international and European reconstruction and development banks to study our situation, and we studied their conclusions most attentively.

What shall I say? They have their own approach to a number of questions. Ours is somewhat different. Life will show who is right.

Incidentally, life has often obliged many people to change their assessments, and very swiftly and drastically at that. Take the example of the GDR. A year ago everything seemed to be clear: One of the most economically developed CEMA countries was joining with an even more powerful economy—the FRG. Unprecedented economic and financial support was guaranteed. But a year has elapsed and we can see that not everything has gone as we saw it. As a result substantial amendments are being made to many recommendations given to us and to the East European countries.

In brief, for all our attention to foreign advice and assessments, I do not regard them as the supreme criterion of our decisions' correctness.

[Lynev] One program which today divides what we shall agree to call "conservatives" and "radicals" (I introduce these terms as amended by what was said above) is the problem of the liberalization of prices. From the program and from your explanations at the recent press conference there stems some middle course: "regulated liberalization." Why is it not actually full liberalization?

[Pavlov] Let us imagine what a drastic—simultaneous—leap in prices for everything including consumer goods would occur. The need would immediately arise to compensate for this increase by means of an increase in wages, grants, pensions, and benefits. That would result in a new increase in prime cost—a new spiral of the increase in prices, and it would all start again. While the economy was "settling" several of these spirals would be required—which is too high a price for the population. So, being aware of that, we cannot fling ourselves into the whirlpool and see who floats. We must provide the opportunity to adapt to the new conditions and to work out defensive mechanisms.

That is why, realizing that impetus toward this constant growth of prices will be provided by the raw material sectors, we are introducing fixed prices for raw material and energy resources and also fixed purchase prices for most agricultural products. And at the same time we shall release prices for specific types of output, while indexing the population's incomes. That is the regulated liberalization of prices.

[Lynev] At the same time the new concept that is "the internal convertibility of the ruble" arises in the program, and to an even greater degree in one of the addenda to it. How does it differ from "simple" convertibility and why is it necessary?

[Pavlov] It is necessary as a first step toward full convertibility, from which we are still a long way.

What do we have today? Before importing anything we have to export something or ask the center. Having received for this part of the hard-currency profit within whose limits, if you have a license, you can make the purchase you need through specific organizations with the right to an outlet onto the foreign market [sentence as published]. Internal convertibility means that you must surrender your hard-currency profit and receive rubles but here irrespective of whether or not you have surrendered your hard-currency profit or not, you can buy currency to pay for the import purchases you need. Hence there appears a supply and demand market for currency, which encourages primarily export.

[Lynev] I have many other questions concerning price formation, taxes, and relations with former CEMA partners and with Soviet republics which want to leave the Union, but unfortunately we have too little space and time, so we shall have to touch on these questions in later items connected with the program. We shall ask one last question here: Is the program ready for changes and additions depending on the results of M.S. Gorbachev's meeting with the leaders of the "seven" countries in London?

[Pavlov] Of course. On the eve of the meeting we prepared a number of proposals for the president. As far as counterproposals are concerned, we have never said that our program is closed to them, and that includes the most radical counterproposals. And if, for instance, I have a restrained attitude toward some proposals and some advice, you must understand that giving advice is one thing and acting on it is another. For the present I

am the one who has to act on it. I also have a responsibility, of whose extent I am aware.

'Stabilizing Elements' Seen in Economic Data

PM1807105791 Moscow PRAVDA in Russian 18 Jul 91 Second Edition p 1

[TASS report: "Chance of Stabilization?"]

[Text] Some stabilizing elements emerged during the May-June period in our economy. During these months average daily production—an important indicator of business activity—remained the same as in April. The physical volume of commodity turnover stopped declining and commodity stocks began to be replenished. Republic deliveries of highly important foodstuffs to all-Union stocks improved appreciably. V.N. Kirichenko, chairman of the USSR State Committee for Statistics, announced this reassuring news 17 July at a press conference devoted to the results of the country's national economic development in the first half-year.

Needless to say, this still does not constitute stabilization, but some chance of matters improving has emerged. This opportunity is due to the cessation of mass strikes, the decline in the harsh confrontation between various social forces, and an improvement in the political situation on the whole based on the Novo-Ogarevo accords between the nine republics and the center.

However, the situation in the national economy is still extremely strained. Investment activity is still being cut back and the amount of "incomplete construction" is expected to rise. The situation in base sectors of industry has become complex.

Kirichenko Views Declining Soviet Economy

LD1707193891 Moscow TASS in English 1842 GMT 17 Jul 91

[By TASS correspondent Vladimir Isachenkov]

[Text] Moscow July 17 TASS—The Soviet Union's gross national product dropped 10 per cent over the six months of 1991, compared to the same period of the previous year, Chairman of the USSR State Committee for Statistics Vadim Kirichenko told a news conference here today.

Kirichenko said the national income fell 12 per cent and the volume of industrial production 6.2 per cent.

The committee forecast eight per cent decline in industrial production in 1991. Kirichenko said the agricultural gross national product will decrease four per cent and the national income 15 per cent, compared to 1990.

Kirichenko said the slump in industry slowed down in May-June and practically remained the same as in April, but the loss is so great that its influence will be felt not only this year, but for the following several years.

According to Kirichenko, in the second half of the year, the rate of recession will grow compared to the first half of the year. In the second half of the year, industrial production will drop nine per cent, compared to the same period of 1990, while national income will drop 17 per cent.

Kirichenko said that this year, the gross yield of grain is expected to reach some 195 million tonnes, which is considerably less than in 1990 (218 million tonnes), but is close to the average yearly yield between 1986-1990 (196.6 million tonnes).

Kirichenko said sharp reduction of imports due to the lack of foreign currency dealt a serious blow to the economy. Over the first six months of 1991, foreign trade turnover decreased 37 per cent and imports 48 per cent. This primarily affected the light and chemical industries depending on imports.

According to Kirichenko, to improve economic situation imports should grow 50 to 100 per cent in the second half of the year, compared to the first six months of 1991. This will help overcome recession in the light industry and saturate the consumer market, he said.

It is also necessary to cut harvest losses to a minimum by speeding up the construction of agricultural processing and storing enterprises, he said.

Kirichenko said the federal budget deficit amounted to 39 billion roubles in the first five months of the year, exceeding the limit of 26.7 billion roubles for the year by some 50 per cent. By July 1, the national internal debt amounted to 800 billion roubles.

The committee chairman noted that after the spring price reform, in June wholesale industrial prices were by 120 per cent higher than in june 1990, while retail prices exceeded last year's level by 90 per cent.

In June, no price rise was registered, compared to May, but experts believe that prices will grow in the coming months.

Says Figures 'Not Comforting'

LD1707194391 Moscow Russian Television Network in Russian 1700 GMT 17 Jul 91

[From the "Vesti" newscast]

[Text] Today, at the USSR State Committee for Statistics, Vladimir Kirichenko, its chairman, summed up the economic results of the last six months at a meeting with journalists. They are not comforting, recession is everywhere. Compared to the first six months of last year production of consumer goods has fallen by 4.5 percent, purchases of cattle and milk by 13 percent, commodity turnover by 12.5 percent, and national income by 12 percent. Foreign trade turnover decreased by 37 percent on last year, and imports by 48 percent. This looks quite natural if one takes into account the fact that the production of our main export goods—oil and coal—has

fallen. Against these figures Vladimir Kirichenko's assertion that the recession has been halted seems somewhat strange, especially as the statisticians under his command are forecasting a fall in practically all indicators for this year. The only things set to grow are budget deficit and inflation. According to Vladimir Kirichenko, we ourselves are to blame for that, to a great degree, since the unrestrained growth of the population's income and the increased volumes of social programs—which were proposed to be curbed—were named among the causes of inflation.

More Comments on Economy

PM1807142591 Moscow ROSSIYSKAYA GAZETA in Russian 18 Jul 91 p 1

[Yekaterina Vasilchenko report: "Can the Economy be 'Reeducated'?"]

[Text] In May-June average daily industrial output was the same as in April. At the press conference given by V. Kirichenko, chairman of the USSR State Committee for Statistics, journalists were delighted even at this modest "achievement." Does it signal the beginning of stabilization in our economy? A hard question to answer. It was reported that the fall in the physical volume of commodity exchange has stopped and replenishment of the stocks of goods has begun. However, looking at the statistical data, it is easy to see that this is due not to the appearance in the market of large consignments of goods but as a result of the manifold increase in the prices of those that remained accompanied by a fall in the population's effective demand, inevitable in such circumstances.

In V. Kirichenko's opinion, the situation by the end of the year may improve if imports increase (by 50-100 percent compared with the first half-year). This will make it possible to stabilize the situation in light industry, where production volumes have been cut back because of a lack of imported raw materials. Another fast-acting method is efficient organization of the harvest with minimum wastage. For both the former and the latter, the chairman of the USSR State Committee for Statistics believes, it is necessary to financially support the oil and gas industry. In this case he is expressing the opinion of the Union government, which still wants to control all foreign currency operations: Having "fattened" the fuel and energy complex with rubles it will earn foreign currency from the sale of raw materials abroad and release that to enterprises in the light and food industry at its own discretion. But will the result be different from that of the first half-year? Foreign trade turnover fell 37 percent against last year and imports fell 48 percent. At the same time, Union departments are trying to block the operation of the RSFSR [Russian Soviet Federated Socialist Republic] Supreme Soviet resolution signed at the end of May by B. Yeltsin giving light industry enterprises a certain freedom in foreign trade operations. For example, the editorial office has received a report from Pavlovskiy Posad. The famous factory there, which produces rare fabrics and renowned textiles, is on the verge of losing its skills and traditions and of switching to ordinary consumer goods production because its purpose-built equipment is completely dilapidated. It is possible to order such equipment abroad but the management has been "advised" by the Light Industry Ministry not to engage in foreign trade operations.

The raising of wholesale and purchase prices has not led to resource-saving at enterprises but has merely forced them to raise their output prices. The State Committee for Statistics chairman bemoaned the irresponsibility of manufacturers and urged journalists to mount a campaign to "reeducate" them. But is that really their job? And is it possible to reeducate the economy?

Statistical Data on Joint Enterprises Cited

PM1807153191 Moscow IZVESTIYA in Russian 18 Jul 91 Union Edition p 1

[IAN report from column of IZVESTIYA, news agency reports: "State Committee for Statistics Data on Joint Enterprises"]

[Text] The number of joint enterprises registered in the USSR had reached 3,400 by 1 April 1991. However, only 948 of these joint enterprises produced goods and offered services in the first quarter.

Automobiles and equipment comprise a mere 3 percent of exports by joint enterprises. Exports continue to be oriented toward raw materials, IAN reports.

Yavlinskiy on Gestation of Economic Program

PM1907103791 Moscow MOSKOVSKIYE NOVOSTI in Russian No. 26, 30 Jun 91 (Signed to Press 25 Jun 91) p 8

[Grigoriy Yavlinskiy article under the "Report" rubric: "Showing One's Hand. Grigoriy Yavlinskiy: 'I Reject All Backstage Activity To Push Through the New Program. To Prevent the Fate of the "500 Days" Program Befalling It, It Must Be Championed Openly. I No Longer Believe in Promises and Secret Missions'"]

[Text] Why has the need for a new program arisen?

When the "500 days" program was being written, there was confidence that there was every possibility of creating within 18 months the conditions under which the shaping of an efficient economy would begin. But the absolute insanity of the economic policy conducted over a year resulted in organic changes: An ungovernable production slump began, and we found ourselves on the eve of hyperinflation fraught with colossal social consequences.

Is there any chance of emerging from this situation? Logic led us to the conclusion that it was necessary to seek new starting points.

The first thing that required an answer was: How to achieve minimal concord? An attempt was made to create a draft entitled "On the Policy of Social Concord in the USSR." But the conclusion was soon reached that

no "roundtable" would help: There was nothing weighty that could be placed on it. And then the need emerged to return to the economy. If six years ago the Soviet Union chose the path of democratization, albeit a contradictory path, its return to world civilization is inevitable—not in abstract terms, moreover, but in all concreteness. Therefore both the present situation and all proposals for ways out of the crisis should be analyzed from that viewpoint, as far as it corresponds to this attempt.

The "Nine plus One" statement appeared at the end of April, essentially setting out a political action program. The question arose: But can it be implemented, and for the sake of what? And we returned to the discussions which we had last summer with Petrakov, Shmelev, and others. At that time we very frequently returned to the same thought: It is impossible to create an efficient economy without the participation of industrially developed countries. The combination of internal political conditions, our economic position, and, finally, the international situation which had taken shape around the Soviet Union—all this enabled me to put this question at the session of advisers to "the seven": Is it not time to start creating a joint action program?

To be honest, I was not very hopeful that this idea would be accepted at once. However, influential politicians from various countries joined in the discussion. After that I flew to Moscow and told Gorbachev, Yeltsin, and Nazarbayev everything. They gave their support. Then I traveled to America for one month with colleagues, economists, and political experts. We wrote the program. It is not the usual kind of program with figures and details but, as it were, the rules of a game of chess. For it is impossible to predict everything, and it is necessary to think through the rules and begin the game.

A document emerged in which the following themes are denoted. The first is called, in the English version, "Philosophy and Values." It explains that the Soviet Union is a power of world significance and the West cannot be indifferent to what happens there. The next part is devoted to an analysis of our internal position. Then follows an impressive section, mainly written by Americans: "The Interests of Industrially Developed Countries and the Future of the Soviet Union." In my view, it shows in a very well-reasoned way that a democratic, market-based Soviet Union is a priority of Western policy after the end of the "cold war." The section prepared back in Moscow was included almost unchanged. It is called "The Political Process in the USSR and the Economic Reform" and essentially shows the main elements and the mechanics of our reform. This is what we must do regardless of everything—whether or not there is cooperation.

U.S. analysts point out, incidentally, that the political conditions are taking shape: the Union treaty, the treaty with those republics which did not wish to join the Union, the redistribution of economic power in the republics' favor, the constitution, the elections of top organs of power, the election of the president. I emphasize: The situation is unique in that the Soviet Union itself made these decisions and no one laid down any prior conditions for us. It is now a matter of fulfilling these decisions. As regards the economic reform, approximately 50 pages in the document are devoted to its concept. Plus the participation of the West.

What does this participation mean? Just one example. When we have to free prices, we can count on the West delivering consumer goods, food, and medical supplies—which will reduce the price hike and remove problems of social tension.

The last chapter in the document proposes the concept of Western aid. We are talking big money. The whole point about receiving and using these sums is that they are given not to the government but exclusively for specific purposes. Not one of the organizations which will be involved will give a single cent unless it is sure that we have created or are, at least, creating an economic mechanism guaranteeing that proper use is made of this money. This will create tough conditions both for investors and for us—we must stop running up senseless debts. We have already taken tens of billions in recent years and spent them to no avail.

Now about the amounts. I will say frankly: We made calculations with the participation of World Bank and IMF specialists but decided not to include this figure in the documents but to say that the amount depends on the concept which is adopted in principle. These sums can be decided only by the governments of the interested countries and by international financial organizations.

What is the reaction of U.S. official circles to our program? The contents of the document were reported to Baker in particular, then to Bush. Speaking in Berlin, Baker said approximately the following: President Gorbachev is on the eve of a crucial decision regarding the economic reform. And if he undertakes to deepen the reform, our doors are open.

The final, concluding part of the document states that the group of experts which was engaged on it proposes to discuss this problem at the "G-7" meeting in London. The question of Western participation in our reform must be decided in principle. Of course, we can ask for 1.5 billion for grain, then half a million for cucumbers, then for tomatoes. The most terrible thing is that they will always give this money, because no one wants famine in the Soviet Union. But, I repeat, no results.

The day after returning from the United States I met with Yeltsin and handed the program to him, then to Gorbachev and Nazarbayev. In the evening the president invited me to Novo-Ogarevo, where the draft Union treaty was being discussed. I reported the essence of our program there.

What is the problem?

Many people ask: What has happened to the "500 days" program? Why did Gorbachev reject it, how did it happen? You can now observe: This is how it happened. Ryzhkov came and said: Either I go or this program goes. But events have now developed in such a way—with the help, incidentally, of MOSKOVSKIYE NOVOSTI—that the present program cannot be quietly buried. This has to be done openly. And in recent days everyone has been able to observe how people are burying the program (which they have not even read) at the Supreme Soviet.

The linking of parliament and government is a serious symptom. The fate of democracy is being decided once again. In this case I categorically reject all backstage activity relating to the program, all talk, whispering, promises, and secret missions. If this concerns everyone, everyone must act openly. The stance of some people "on the left" distresses me. They suddenly and totally unexpectedly declared: We do not need this, you are seeking money for Gorbachev.

It does not matter to me who implements the reform. I do not believe in any elections, any appointments, or even, if you like, any acts and laws until they are based on a serious socioeconomic foundation. What is important is the process, the trend. Talk of who will begin these reforms is idle. The important thing is to begin them.

CEMA Pattern for Interrepublic Relations Hit

PM1807095591 Moscow PRAVDA in Russian 17 Jul 91 Second Edition p 2

[Article by Yu. Sharipov, chairman of the USSR Supreme Soviet Soviet of Nationalities Commission for Economic Relations Among the Republics and Autonomous Formations, and A. Sadikov, USSR Supreme Soviet Secretariat consultant: "Bridges Lacking Parapets: On Economic Relations Among the Republics"]

[Text] How are we to ensure that the republics want to join the Union and not leave it? World practice demonstrates that the durability of all unions, all federative states is ultimately determined by the economic benefits and advantages that its participants are guaranteed. That will ultimately also be the case in our country: No one has yet succeeded in outwitting objective economic laws. But what price will we have to pay (for the umpteenth time) for attaining the truth?

In our view, one cannot help but dwell on one particular dangerous trend in the development of events in the sphere of economic relations among the republics. To put it briefly, attempts are being made—most likely unconscious attempts—to transform economic ties within the USSR into a facsimile of what existed within the CEMA framework.

Let us remember that the CEMA member countries, effectively, conducted interstate trade among themselves whereby enterprises were only given an executive role and their economically accountable interests were not particularly observed. Fundamental import and export questions were settled by long-term intergovernmental agreements and annual protocols on commodity turnover and payments. Settlements were made using hypothetical transfer rubles and at prices that lagged behind current world prices and were balanced once again at interstate level. Having little in common with the market, but adequate for the national management structures of the time, this system of cooperation promoted a lag behind progressive world economic trends. The CEMA region gradually became the "preserve" of outdated technologies and poor-quality goods.

It is staggering but, its market principles notwithstanding, the Russian Government's program for stabilizing the economy and the transition to the market calls for a similar mechanism for interrepublic cooperation (and, consequently, a similar result). However, this similarity is not glaringly obvious. There is no mention of transfer rubles, for instance. But, like certain other essentially CEMA-based features, they may emerge.

The RSFSR [Russian Soviet Federated Socialist Republic] Council of Ministers has been instructed to speed up the attainment of accords with other republics on questions of regulating and shaping interrepublic deliveries of output and goods in accordance with intergovernmental agreements. The next logical step will be to coordinate the republics' economic plans since only in the course of such coordination can intergovernmental agreements on deliveries be elaborated and concluded. Lastly, the Russian program calls for the creation of an interrepublic clearing house. The plan is to reach agreement with the republics on a system for mutually offsetting debts.

Some provisions of the interstate treaties and agreements signed by the Union republics merit critical analysis. For instance, under the treaty between the RSFSR and the Ukraine the sides conclude intergovernmental agreements on reciprocal deliveries, services, payments, prices, and movement of securities, and also on the dates for transferring to reciprocal settlements at world prices.

Arrangements regarding payments can only be regulated and the republics' mutual debts can only be offset via a clearing agreement (interrepublic) and via the clearing house mentioned in the program. But clearing always produces individualized prices that differ both from world prices and from those used previously in interrepublic ties, that is, internal prices. So the single economic space may break down.

There would be one price for output in relations between, say, Russia and the Ukraine, a different price for the same output in relations between Belorussia and Kazakhstan, a third price when the output is taken from Turkmenia to Tajikistan, and so on. So, the ruble would have a different commodity value [tovarnoye napolneniye] depending on the economic ties in question. Consequently, we no longer have the ruble as a single currency but something akin to the "transfer rubles" of ill repute.

It will be recalled that, after selling a machine tool in Bulgaria, for instance, the USSR was unable to buy anything from Hungary or Czechoslovakia with the convertible rubles that it earned, but could only buy goods from Bulgaria again. The emergent tendencies may bring about a similar result in relations between republics.

RSFSR treaties with Kazakhstan, Belorussia, Latvia, Lithuania, and Estonia, that is, both with republics that are staying in the Union and with those about to leave it also contain clauses concerning intergovernmental agreements on deliveries. But the pity is that there are agreements but no deliveries. A similar situation has also developed in other interrepublic relations. For instance, Kazakhstan has concluded interstate treaties with a number of sovereign republics, but these are of no practical significance for economic managers. By an irony of fate it often transpires that the largest debts are between the republics that have signed intergovernmental treaties and agreements.

These treaties have now been deprived of the main element—a legal mechanism to carry them out. Only the republics themselves, not enterprises, can enforce agreements at this level. Republic departments must work with enterprises under republic jurisdiction. They will have to keep an eye on the equilibrium of bilateral ties. The result is that, to the accompaniment of talk about the market, commands are beginning to be issued to enterprises not only by the center—something that is more or less normal—but also by the republics, and even by oblasts along with cities and rayons by way of a local initiative for establishing horizontal, usually barter, ties. A number of treaties between republics mention the creation of intergovernmental coordinating bodies. That brings us back to CEMA (CEMA clones) in an unadulterated form.

What effect will all this have on the transition to the market? An abruptly adverse effect. It is naive to set up a market in an individual republic, regulating interrepublic ties CEMA-style. The innovation does not prevent the old, well-oiled ties between enterprises in various republics being severed, yet it by no means helps set up new, more rational ties. The wordings in the interrepublic treaties about most-favored-nation status are designed simply for effect and have nothing to back them up. Indeed, we should investigate: Most-favored-nation status in what respect? Compared with what?

In international practice the term "most-favored-nation status" has a strictly defined meaning. This term, enshrined in international trade agreements, envisages the contracting states' granting one another all rights, advantages, and privileges as regards the duties, taxes, and imposts that any third state enjoys or will enjoy.

Thank God, the levy of customs duties, taxes, and imposts has not yet become the norm on borders between sovereign republics. I am of course talking about republics that intend to sign the Union treaty and, accordingly, derive economic benefits. However, the suggestion that a convention be concluded on an economic union of all 15 republics merits study. That would make it possible to mitigate the consequences of a number of republics' political isolation and for us to look more appealing from the viewpoint of integration into the world economy.

It is logical that broad and exclusive power for central organs in regulating trade was of crucial significance in creating a single market in the most prosperous federative states with the most developed market relations. What is meant, of course, is economic and legal influence on economic ties between components of the federation.

In the United States the Congress was given the right to regulate trade between the states back in the mid-19th century. Market unity is consistently ensured at federal level under the constitutions of Australia, Canada, Austria, and Switzerland.

So, then, what are we doing?

It is necessary, while there is still time left, to lay the legal foundation for the economic integration processes. Therefore we are proposing including in the draft Union treaty (Article 6) a clause that enshrines the right of the Union, in conjunction with the republics, to uniformly regulate trade and economic relations between the republics. Needless to say, this will only be possible if the parties to the treaty deem it advisable to vest the USSR with the appropriate powers. But enough world experience—and experience of our own—has been accumulated from which to learn lessons.

The new-style economic relations between the republics must be based on the principles of the union-wide market. This is above all in the interests of the small republics who depend more than the others on deliveries from other regions of the Union and at the same time show the greatest desire to absolutize their sovereignty.

Take, for instance, the Baltic republics; their deliveries of output to other regions form 60-70 percent of these republics' GNP, while their exports abroad total less than 7 percent. Given the prevailing economic structure it will hardly be possible to appreciably increase this figure of 7 percent in the foreseeable future since structural changes are slow even with favorable development. You can imagine what would happen if relations between the Union and the individual republics were switched to the conventional international legal foundations.

According to EEC experts' estimates—and there are no reasons to suspect them of bias—Lithuania's trade deficit may exceed that permissible limit which makes it possible to preserve the manageability of the economy. This is due to the fact that the Baltic receives from other Union republics many hard-currency goods in the form of raw materials, semimanufactures, and fuel and energy resources, the world prices for which considerably exceed internal prices.

Actual payments in freely convertible currency in each deal will turn out to be impossible owing to to lack of hard currency at both republic and Union enterprises. Consequently, there will be a very painful process of introducing a clearing system with the subsequent conversion of the balance into freely convertible currency, along with direct settlements in the national or freely convertible currency for decentralized deliveries. There may be a catastrophic rupture of economic relations caused by the lack of regulation of prices and the instability of prices that will by no means match current world prices right away because of the hard-currency chaos.

This is not by was of being a threat, as some people think, but a sober view of things. The need to return to clearing has effectively been acknowledged, along with the need to use national currencies in decentralized settlements in relations between the USSR and the countries of Eastern Europe. The excessively rapid jump without interim stages to settlements in freely convertible currency as of the beginning of this year has resulted in a situation whereby commodity turnover with Eastern Europe over the year as a whole could shrink to less than half. While the USSR's commodity turnover with Hungary, for instance, totaled less than 25 percent of last year's level in the first quarter of this year.

The complexity of the problems and the acuteness of the contradictions preclude the possibility of superficial, oversimplified solutions. There is no point either in directly copying foreign experience—West European experience, for instance. After starting with integration back in the postwar years on the basis of market ties and given the existence of national market economies, they have gradually progressed over the decades toward a single economic space and a confederative or maybe even federative form of union. This year it is planned at intergovernmental level to settle the question of creating by 1994, apparently, a European Central Bank and to embark on using a single currency in another few years.

What do we have to our credit? A unified, albeit weakened, federative state. The republics still lack a market and there are no market relations between enterprises in various republics. But there is a single unit of currency although it is hard to call it a currency. We have a single territory although it is coming under threat from the barriers that are arising, preventing movement of commodities, finances, and people. The budgetary system has almost disintegrated into an aggregation of independent budgets, but it can still be revived. There are flagrant breaches of Union laws on banking activity, but there are civilized means of normalizing finance and credit relations once agreement is reached with the republics.

The West European evolutionary option is not simply costly or irrational for us, it is unfeasible. There is no chance of setting up the Union afresh, as if no state had hitherto existed or as if it had suddenly been dissolved. That would take decades and would be accompanied by such a drop in the standard of living that the process of consolidation and restoring order would possibly begin ad hoc and by no means by economic methods.

Our country's indisputable advantage resides in the existence of a union of republics and the existence of a state's basic attributes under Union jurisdiction. That is why the Union simply has to be a consolidating element in the negotiating process. There will inevitably be fresh disagreements after the republic parliaments have discussed the draft Union Treaty agreed by the preparatory committee. However, in the prevailing conditions attempts to reconcile positions cannot be halted in the hiatus between one statement by our leaders and another. It would be unforgivable to interrupt the work for a few months or even for a few weeks.

Price Increase of 20 Precent Projected

914A0934A Moscow RABOCHAYA TRIBUNA in Russian 12 Jul 91 p 1

[Article by Aleksandr Nadzharov: "There Is More Money, Prices Are Higher—Forecast for December: 20 Percent Increase in Consumer Goods Prices"]

[Text] **When people gather in your plant or NII [scientific research institute] to "wash down" the usual pay raise, this is the kind of self-deception that is very much like intoxication. The fact is, the July raises alone devalued money by eight percent. Why? Well, because this did not result in more commodities. It is possible that there are even less, inasmuch as layoffs have started at the enterprises that produce them and recruiting has stopped.**

So what about the recent increase in prices? Is this not what has reduced purchasing power? It reduced it, but whose? That of the retiree who was also not getting fat previously, and of the worker whose incomes are hopelessly failing to catch up with expenses. In a word, expressing oneself in scientific language, by the beginning of this month the volume of money exceeded its level at the beginning of the year, and inflation has once again entered a phase that is no longer secretly concealed from anyone. Concealed because prices, it would seem, do not increase, or they increase a little, but it is more and more difficult to get a needed item.

However, in comparison with former times, a new factor has entered the equation. Remember, in the April increase in prices half of them were declared to be free. And this means that it is no longer V. Pavlov with his cabinet, which continues to be formed, but any director of a factory can increase the price of a cupboard or television set, responding only to his own revolutionary feeling about population demand for an item and the possibility of his being fined for excessive zeal.

And you can be assured that he is already taking advantage of this right. Because there is a collective behind him that also wants to have a drink. And incidentally, this is also the basis for such exotic forms of barter that I encountered in one of our auto plants.

"I will sell anyone a freight car of frozen meat," its director told me, "and a car, whether he is a Koryak from Kamchatka or a Negro in old age. I have to feed people..."

Note, the director of the auto plant has to, but the one who receives wages for this does not? Alas, we are not talking here about notorious sabotage or the mafia. Right after the price reform, we became careful about our expenditures from fear. As a result, purchases in state trade fell, and even money that was paid out stopped returning to the bank. The increase in the amount of money on hand in May-June exceeded 8.5 billion rubles [R].

It goes without saying that this hole could be patched up only with the issuance of new money. Which occurred in the end. Now we have in simultaneous circulation both the new and the old notes which, despite their outward differences, are the same in that you cannot buy anything with them.

And the longer it is, the worse it will be. The main reason is that both parliaments, the Russian and the Union, fearing possible social upheavals, sanctioned the payment of gigantic pre-reform compensations, plus all kinds of supplements to salaries and pensions. This led to the fact that in only three weeks of June the incomes of the population increased by 70 percent, and expenditures only by 50 percent. Moreover, starting on 1 July, compensation on deposits in the sum of up to R500 has been unfrozen. Some specialists think that people will be forced to withdraw part of this money from their accounts. And then issuances will have to cover no less than R11 billion of money "made available" in this way. That is why R1, R3, and R5 notes are appearing.

Thus, there is more and more money, and prices are higher and higher. Of course, it will be no better in the future. But here is the forecast for the end of the year. It is provided at our request by I. Gorbachev, acting chairman of the USSR Interrepublic Committee on Prices.

In Ivan Ivanovich's opinion, by the end of the year, state prices on clothes, knitted goods, and shoes will increase by 15-20 percent, refrigerators by 25-30 percent, washing machines and furniture by 15-20 percent, and television sets by 20-25 percent.

The prices of automobiles will remain in the ranges announced before the recent increase in prices.

There will be no change in the prices of basic food products.

Overall, I. Gorbachev thinks that the general gradual increase in prices by the end of the year will amount to from 15 to 30 percent.

And this is said within three and a half months after prices rose by a factor of 2-3.

USSR Integration in World Economy Viewed

91UF0988A Moscow IZVESTIYA in Russian 12 Jul 91 Union Edition p 6

[Article by A. Kokoshin corresponding member of the USSR Academy of Sciences: "National Interests and Integration in the World Economy"]

[Text] USSR President M.S. Gorbachev's upcoming meeting with leaders of the Seven in London could be an important landmark en route to our country's integration in the world economy.

It is more important than ever at such times to define our interests and our country's possibilities most carefully and realistically compare them with the interests and possibilities of our partners—both the members of the Seven and other countries, relations with which are for us of vital importance.

The Soviet Union is in a state of economic crisis. This crisis has been reflected most banefully in our foreign economic relations also. The most urgent task is an escape from this crisis by the joint efforts of the republics and the center and stabilization of the country's economic situation with the parallel pursuit of economic reform.

At the same time, however, most acute problems of the present day should not shield the strategic problems of the USSR's integration in the world economy, in accordance with the long-term understanding of the USSR's national interests.

Our interests amount by means of incorporation in international economic processes to promotion of a radical renewal of our industry and agriculture, the formation of a modern service sphere and the creation of a whole infrastructure—transport, communications and power systems—a rise in the people's living standard and the achievement and preservation of economic balance. The process of the USSR's integration in the world economy also should be regulated so that it contributes to changes in the structure of our economy and the removal of the tremendous disproportions which have taken shape between individual sectors thereof.

The main interest of the West in the USSR's integration in the world economy consists of the discovery for Western capital, of commodities and services of the Soviet Union as one of the world's most important markets. At the same time, however, it should be borne in mind that the interests of individual companies and different political groupings and individual countries even may not coincide with this general interest.

Both we ourselves and our overseas partners have a vital interest in our solvency. Without this the development of the USSR as a major commodities, services and capital market is impossible.

The traditional source of monies for our payment transactions were for a long time raw material commodities.

primarily energy—oil and gas. And today also there is talk primarily of the raw material sectors, primarily oil and gas, in the studies of Western and Soviet specialists when it is a question of sources of hard currency.

All series studies show that the significance of these sectors for support for our solvency will persist for the foreseeable future. On the other hand, it will evidently be difficult for us to cater for even our own domestic raw material requirements unless we attract for the development of the raw material sectors substantial capital from outside, inasmuch as these sectors are in a troubled position.

Inordinate emphasis on the development of fuel and power resources contains the great danger of the consolidation of our country as a kind of raw material periphery for the developed world. This is all the more unacceptable under conditions where the relative significance of the raw material sectors in the world is diminishing, capital-intensiveness is growing and their profitability is declining. Just as unacceptable for us is the location on the territory of the sovereign republics, which are a part of the USSR, of environmentally dirty industries and a mass "brain drain."

The fundamental interests of our economy and the country's national security in its broad understanding require the staged conquest of a worthy place on the world industrial product markets and also the USSR's incorporation in the regional and global telecommunications and transport systems which are taking shape.

A broad-based move onto world industrial product markets is an exceptionally arduous undertaking requiring constant and long-term efforts. Many Western companies are by no means burning with a desire to acquire additional new competitors in the shape of our organizations. At the same time, however, there are many Western companies which are seeking among our enterprises "strategic allies" for attaining a higher place in the world business hierarchy.

Considering others' experience, we should pay attention primarily to the creation of effective incentives to the winning of a "place in the sun" on the world market for enterprise executives—top- and middle-level managers.

Virtually our main resource in the move into international industrial product (particularly science-intensive product) and modern services markets is our defense industry concentrated primarily on the territory of the Russian Federation. In no other developed country is such a volume of material and human resources concentrated in this sphere as in our country.

The existence of a ramified defense complex covering a wide spectrum of R&D and industrial production distinguishes us particularly from, for example, the Central and Southeast European countries, which are to a considerable extent experiencing problems similar to ours upon transition to the market.

In many fields Soviet defense industry has for decades competed successfully with the defense industry of the United States and West Europe. But it cannot be forgotten that the years of stagnation and the crisis phenomena of recent years could not have failed to also have been reflected in its level. Comparing our "defense" with Western industry as a whole, it should be borne in mind also that in terms of many parameters military industry in the West is no longer the most progressive in terms of its S&T level and provision with equipment. The overall level of the majority of sectors of industry manufacturing civilian products has in the developed capitalist countries in the past 10-15 years surpassed the level of the majority of defense sectors, which has not been the case with us. In addition, in the majority of cases the technological revolution in the civilian and military spheres has proceeded by different routes, in the main—as of roughly the end of the 1950's-start of the 1960's.

It is essential that these factors be taken fully into account both in our policy of conversion as a whole and in its foreign economic component.

Defense industry is both a large burden for our economy and at the same time a tremendous reserve thereof (of highly skilled personnel particularly), of which we have yet to avail ourselves in proper manner and to the proper extent, as a result of the major shortcomings of the initial conversion projects imposed on the enterprises from above including in administrative command fashion.

A study of a number of world top- and mid-level technology markets compared with the possibilities of our industry conducted by the Committee of Soviet Scientists Scientific Information Center and the USSR Academy of Sciences United States and Canada Institute OPU [expansion unknown] and also a sample analysis of the progress of negotiations between approximately 50 Soviet enterprises and their actual and potential partners in the West show that many of our enterprises have pretty good opportunities for moving onto Western markets, although this will be a considerably more complex business than was imagined earlier by the majority of our enterprise executives.

This applies primarily to our space technology (primarily rocket assembly), aviation industry, a number of areas of shipbuilding, the production of high-grade steel and composite materials and various types of laser technology. According to certain estimates, defense industry has shown pretty good results in the production of modern oil-producing and drilling equipment, and there is appreciable process stock for the joint production by Soviet and overseas organizations of high-grade consumer durables, modern medical equipment and equipment for food industry.

Defense industry needs capital also for the restructuring of production and, what is most important, assistance in movement onto markets and in the search for the niches which we could fill with products, including those produced by joint efforts. For many defense enterprises in

the process of conversion a most complex problem is the organization of mass production in place of series production, which marks, for example, even such a comparatively large-scale industry in the defense complex as tank assembly. In many instances we are as yet simply incapable of supplying intricate, highly profitable types of product without substituting for a whole number of important components those obtained from overseas. This applies, for example, to aircraft manufacturing, where we, while in possession of major achievements, lag behind in engines and on-board electronics.

As a whole, as an analysis of the actual experience of the activity of dozens of our enterprises of the defense complex in their attempts to break through onto international markets shows, doing this in isolation, without Western partners, is almost impossible.

The government of the USSR and the governments of the Union republics should have a flexible and efficient system of encouragement of the overseas companies which, in establishing business ties to our enterprises, contribute to their large-scale move onto world science-intensive product markets. We have a right also to seek from the governments of leading Western countries assistance in the movement onto these markets of our enterprises since as much still depends here directly on their political decisions.

Specifically, this applies to the restrictions imposed by Cocom. Although they have been eased, these restrictions still prevent us not only importing important components for the science-intensive products which we can manufacture independently or in conjunction with Western firms but also selling, for example, such services as the launch by Soviet systems of foreign civilian satellites from Soviet cosmodromes.

I believe that a major shortcoming of ours is the absence of a system of flexible coordination of efforts in the foreign economic sphere, which should substitute for the former system of strict administrative supervision of foreign economic relations.

The competition of various regions of the country for investments is already beginning, which is, generally, a natural process. But this competition is in some respects beginning to assume such proportions that all are suffering from this. Many of our enterprises of a similar profile are also beginning to compete actively in obtaining contracts with Western firms, which is leading to the prices of our products and services, which are not that high as it is, being driven down. What is now needed, therefore, is a new modern coordinating and consulting mechanism on questions of foreign investments based on the new Union treaty.

In orienting a substantial proportion of the products of our progressive sectors toward the external market, it would hardly at the same time be expedient in the majority of cases for us to create industries which are particularly export-oriented, as was the case at one time not only with the "four dragons" but also Germany, Japan and a number of other countries which have scored major successes in economic development. The reason for this is once again the existence here of a vast market, in the filling of which both we ourselves and our overseas partners are interested. For this reason we are now confronted in each specific instance with the current task of determination of the optimum correlation between the proportion of output oriented toward exports and intended for domestic consumption manufactured by one and the same enterprise. Both we ourselves and Western investors have an interest in this since for the majority of the latter the most attractive thing is penetration of our domestic market, not the creation of industries oriented toward the already "dense" markets of other countries.

Only if the output of the better part of our industry is oriented simultaneously toward both the external and the domestic market can we hope that the domestic market will gradually be filled with products of a sufficiently high quality. As a result, given the stage-by-stage opening of our economy to mass imports, these products will be competitive, and the threat of the ruin of our manufacturers in the face of foreign exporter-competitors will thereby be less than under other conditions (as a whole, it should be borne in mind that we will not get by without serious protectionist measures for defending a number of sectors of industry and agriculture).

The task of the USSR's integration in the world economy and our move into science-intensive product and mid-level technology markets could pose entirely differently the question of the optimum dimensions of our enterprises and organizations, including of the nature of the measures pertaining to demonopolization of our industry, of which our domestic market is primarily in need. The point being that a different character and different scale of production and concentration, possibly, and other types of organization than would be required were we to proceed from the requirements of purely domestic economic development, the development of our domestic market, will be required in order to be competitive on world markets.

Attracting foreign investments to the USSR under current conditions is becoming an increasingly complex business. Despite the immense size of our market, its attractiveness for Western investors has in terms of many parameters declined of late.

In terms of the degree of attractiveness for Western investors we were last year, according to a number of authoritative Western evaluations, in fourth or fifth place (after the invariable first- place United States, then the EC, Canada, and a number of "new" industrial countries of the Asia-Pacific region), but have now dropped a rung or two lower, giving way to the East European countries and even certain Latin American countries and also India. The main reason for this is the political instability and slow implementation of the reforms aimed at transition to the market. Now, in connection with the upcoming meeting in London, the

signs of stabilization and the prospect of the new Union treaty being signed, interest in us as a place for the investment of capital has once again begun to grow somewhat. Overall world economic conditions are changing somewhat for the better also.

In seeking the attraction to the USSR of foreign investments and facilitating by modern measures of state regulation their assured profitability we should at the same time have a precise idea of the levels of these investments permissible for our level of economic and political development and of where they are most desirable, and where unacceptable altogether, proceeding from the tasks of the assurance of national sovereignty and national security.

Today it is economic questions which are one of the highest priorities of the security of our country, and they primarily should be supported by our diplomacy, top-level included.

Agricultural

Harvest Needs 'Resolute,' 'Immediate' Action

PM1807144991 Moscow PRAVDA in Russian 18 Jul 91 Second Edition p 1

[Aleksandr Platoshkin report under the "Current Topic" rubric: "They Won't Surrender Grain. They Have No Faith..."]

[Text] The news, it must be said, is hardly sensational: The harvest has begun. Well, well: Is it really the first time that the grain has ripened? But recently each of us has been worrying increasingly: How are things in the fields? What will we eat come winter?

The first few million hectares of grain have now been harvested and threshed. It is too soon to generalize or talk about a mighty torrent pouring into the state granaries. Some forecasts do spring to mind though...

It is well known that this year the harvest has failed in the eastern regions. But on the Don and in the Kuban, Stavropol, central Russia, and in the Ukraine there is grain despite the weather problems. According to estimates there is potential to procure the quantity that the country needs for food and feed purposes. Whether that potential will be realized is a different matter. That is the question, as the saying goes.

Grain deliveries are being hindered by our usual problems although we began discussing them back in the spring. Nevertheless, there is currently a shortage of equipment, spares, fuel, and transport. The conclusion of contracts on cooperation in harvesting by rural and industrial enterprises, institutions, and organizations is dragging on. The countryside's partners sometimes set such conditions that cooperation becomes virtually impossible.

The concern surrounding the present harvest is surely that the words "the first commandment" have somehow gone out of use. Perhaps that would be best. Less pomp and ceremony, fewer high-flown phrases, more routine daily work. That is how the Stavropol grain farmers, for example, seem to be operating. They have grown a good harvest. Now they are working assiduously to bring it in. They intend fulfilling their grain delivery commitments. The rest they are keeping for themselves. That is often more than half the crop. Many other farms in the North Caucasus and across the country are taking a similar "cut." Grain will consequently be used for feed, as payment in kind for participants in the harvest, so-called barter, and other purposes at the farms' discretion.

What about the state granaries? Of the 25.5 million tonnes threshed by mid-July, 3.7 million tonnes of grain had been sold. But the procurement target is 77 million tonnes. The peasantry has become somewhat "tight-fisted." The slow pace of grain delivery is alarming.

The situation is being repeated. Last fall there was a lot of grain. But grain procurements were clearly insufficient then, too: 68 million tonnes. What lessons have been learned? After all, you learn from your mistakes, as we all know. Admittedly, it is better to learn from someone else's mistakes.

The governments of the country and the republics are adopting measures to help the countryside. They are improving incentives by means of resources and manpower. The USSR Cabinet of Ministers has adopted the resolution "On Measures to Ensure the Coordinated Actions of Union and Republic Organs in Forming State Grain Resources from the 1991 Harvest." The orders for grain deliveries to state resources are mandatory. If a republic does not fulfill the order it will receive nothing from the all-Union fund.

In exchange for counter sales of grain above the plan target they are allocating cars, refrigerators, washing machines, sewing machines, knitwear, leather footwear, construction materials, coal, and other consumer goods destined for sale from market stocks. Farms will also be supplied with cement, slate, and trucks. For one KamAZ truck, for example, you have to exchange 400-500 tonnes of grain, for a Niva jeep it is 300-400 tonnes. A sewing machine will cost you 5-10 tonnes, a refrigerator 8-10 tonnes. Mixed feed will also be sold at preferential prices in exchange for grain. It is also proposed to buy above-plan grain from farms for hard currency.

Privileges are also being introduced in the republics. This promises the countryside great benefits. So why are people there not rejoicing and rushing to open their siloes to the procurement workers? Because they have no faith. They have been duped so much by promises and led up the garden path like this before.

The Cabinet of Ministers resolution says, for example, that the USSR government has extended to 1991 the practice of purchasing grain and oil-bearing seeds from farms for freely convertible currency from resources

intended for purchasing grain from abroad. Differentiated scales of payment in rubles at the commercial rate of freely convertible currency have been prescribed.

For example, the cost price per tonne of durum wheat ranges from R240-R135 in freely convertible currency depending on the quality of the wheat, and R180-R120 for soft wheat. For a tonne of rice or mustard country dwellers can earn R300 in freely convertible currency, for corn R180, for soybeans R330, and for pulse crops and rape R240. For many farms there is a real opportunity to fill their foreign currency account.

The peasants are disturbed by the phrase: "The government has decided to extend the practice of purchases"... Because that practice often proved to be defective, unfortunately.

Stavropol, Don, and Kuban grain growers are still going to the different authorities and shaking in their faces the worthless checks they received for grain they handed in. Ukrainian farms are still waiting in vain for the cars, buses, and other scarce equipment and materials that they paid for with above-plan crops.

It is a paradox, is it not: Those who gave most grain last fall are in the worst position. They have not received the resources they were promised, nor have they anything left to barter themselves. And with supplies to farms themselves utterly fouled up they have to sort out their own material and technical problems on their own.

The USSR Cabinet of Ministers resolution is very relevant and timely. It is important that it be fulfilled. The countryside is crammed with paperwork, it has to be said. The market will not tolerate an insolvent partner, even if it is the state. Who will exchange grain for worthless scraps of paper and empty promises? As the saying goes, once you have lied to the peasant it is not easy to regain his trust. But it is possible. If you provide goods for grain immediately when you complete your deal, as it were. Although this is not easy. We will have to scrape stocks together from our meager stores of commodities. Industry must be persuaded to produce the materials needed for the countryside first of all.

Parliaments and the press can hold long discussions on whatever they like. Only not on the harvest. What you need there are actions. Resolute and immediate actions. Because in the fast-moving harvest period the subject of the discussion itself—grain—can disappear. Society must not tolerate that.

Belorussian Fodder Procurement 'Unsatisfactory'

LD1807212991 Minsk Radio Minsk Network in Belorussian 1710 GMT 17 Jul 91

[Text] An ordinary session of the Belorussian Soviet Socialist Republic [SSR] Council of Ministers Presidium has been held under chairmanship of Mikhail Myasnikovich, first deputy premier of the republic. The planned agenda was slighlty changed. The discussion started with the most pressing question for the republic: The progress of hay harvesting, procurement of fodder and agricultural produce. It was noted that the state of that work cannot not be regarded as satisfactory. The hay harvesting in Vitebsk and Mogilev oblasts is going extremely slowly. Minsk is in no rush to help the peasants. The Belorussian SSR Council of Ministers Presidium demanded that the heads of ministries and departments, oblast executive committees and rayon executive committees, enterprises and organizations should take immediate measures to ensure that the resolution of the republic's Council of Ministers on providing urgent help to state and collective farms in hay harvesting and procurement of fodder in 1991 is fulfilled.

Then the Belorussian SSR draft law on counteracting monopolistic activity was considered. Participants came to conclusion that such a law can operate only in the conditions of real market relations when the necessary economic environment and competible products are there. And since we have neither the former nor the latter, the passing of such a document is premature. As a result of this, the Belorussian State Economic Planning committee and the State Property Committee have been instructed to work out in the nearest time the main mechanisms of influencing the monopolistic activity of enterprises. The Council of Ministers Presidium then considered some questions of improving state statistics and analysis and a number of other problems.

Mid-July Harvest Indicators Down From 1990

PM1907133791 Moscow SELSKAYA ZHIZN in Russian 19 Jul 91 p 1

[Report by L. Vashchukov, chief of the Agro-Industrial Complex Statistics Administration, under the general heading "Harvest-91: Concerns and Fears": "USSR State Committee for Statistics Reports: The Harvest Is Approaching Its Climax"]

[Text] This year's hot summer is a difficult one for farmers. Nonetheless, the harvesting area is expanding with every passing day. Farms in 11 republics are currently harvesting. By mid-July grain crops (excluding corn) had been cut on 13.1 million hectares, or 13 percent of the sown area. The ripening of crops is slightly delayed this year but, thanks to efficient labor organization, the harvest pace has more or less caught up with last year's. Grain has been threshed on 10.3 million hectares, or 79 percent of the area cut. The corresponding indicators at this time last year were 11.3 million hectares and 84 percent respectively. Another factor affecting the harvesting pace are yields. Unfortunately, they are poorer than during the 1990 record year—more that eight quintals per hectare less than last year. This circumstance should put us on our guard, we must adopt measures to prevent losses, to save every ear.

In the Russian Federation the harvest is proceeding at greater speed. Grain has been cut here on almost 8 million hectares against 5.6 million hectares by mid-July

last year. The grain harvest in Azerbaijan and Turkmenia is also ahead of last year's.

Feed procurement is in full swing. But it must be noted that its pace is slower than last year's. By mid-July kolkhozes and sovkhozes had laid in 31.4 million tonnes of hay, 40.5 million tonnes of haylage, and 1.2 million tonnes of grass meal. This is 6.9 million tonnes or 26 percent less than last year. The total volume of feeds procured (excluding concentrates) is also smaller. The amount of coarse feeds procured in Armenia, Kyrgyzstan, Kazakhstan, Georgia, and Uzbekistan is as yet small. This is alarming: If there are no feeds, there will be no meat or milk. And yet, the production and purchases of these products during the first half of the year are already 10-12 percent down on last year's figures.

The reasons for the lag in feed procurement are approximately the same as for the grain harvest. But here it is possible to rectify the situation by involving more people in this work.

Measures Taken To Stimulate Farm Production

LD1807160791 Moscow Radio Moscow World Service in English 0800 GMT 18 Jul 91

[Text] Measures are being taken in the Soviet Union to stimulate farm production. According to Deputy Prime Minister Fedor Senko, to encourage additional supplies of grain deficit equipment [as heard] and consumer goods will be provided to agricultural cooperatives, state farms, and individual farmers.

Besides, payment for grain and oil crops will be made in hard currency at world prices. The currency will be used to buy latest machines and technologies abroad.

In the interests of farmers, the government has also decided to reduce the mixed fodder prices by 30 percent.

TASS Reports on Harvest Work Progress

PM1907090191 Moscow SOVETSKAYA ROSSIYA in Russian 18 Jul 91 First Edition p 1

[TASS reports under general heading "Chronicle of Harvest Work"]

[Text] Stavropol—The kray's grain farmers have embarked on threshing the grain from the second and last million-hectare area. Over 0.5 million tonnes of grain have already been shipped. The speed at which threshing is being done is no slower than last year. However, the shipment of grain to elevators and grain reception points is proceeding somewhat more slowly than before. There are important reasons for this. Never before have people in Stavropol Kray been allocated so few grain transportation vehicles for the harvest. Nevertheless, here they understand the grain problem that exists in the country. And so Sovetskiy Rayon's Lenin Kolkhoz has sold 15,000 tonnes of grain to the state. On top of this the kolkhoz members have decided to ship at least 2,000 additional tonnes of grain crops to the state granaries. Whole rayons in the Stavropol area are close to fulfilling the state grain order. These include Levokumskiy, Budennovskiy, and Neftekumskiy Rayons.

Volgograd—The pace of harvest work in Volgograd's fields has picked up. The oblast's grain farmers have already completed the harvest of grain crops in the first million-hectare area, and from this they have threshed over 2.1 million tonnes of grain. The combine harvesters have already left the fields sown to winter crops in most southern and trans-Volga rayons. For the first time the weather has given the grain farmers a breathing space before harvesting the spring crops. The effectiveness of dry crop farming technologies has been reaffirmed, helping crops to withstand the current hot spell when soil temperature exceeded 70 degrees centigrade. If there had been such a hot spell and drought several years ago, they would not even have been able to gather the seeds. Today, however, the average winter crop yield per hectare was over 21 quintals, and at a number of farms the yield amounted to 30 quintals of choice grain.

Belgorod—Grain farmers from the southernmost and most productive part of the Central Chernozem Zone have set about their harvest work without their former optimism. The harvest is not looking good everywhere—in many rayons it is significantly below last year's level. Experts believe that the oblast farms' yields will fall short by five or six quintals of grain per hectare. Moreover, owing to rain and winds, the crops in most of the area have lodged. Therefore the machine operators are banking on using pulse crop reapers, which are the most effective for harvesting lodged masses of grain crops. There are enough of these reapers in the oblast. But there are not enough machine operators to do the work in two shifts. Working people from industrial enterprises used to come to the help of the countryside, but now the number of these helpers has declined sharply.

Scientific

Space Mission Cancelled for Economic Reasons

LD1807154191 Moscow Radio Moscow World Service in English 1200 GMT 18 Jul 91

[Text] Soviet aerospace officials have cancelled plans for a launch in November of a manned transport spacecraft, Soyuz, as part of the drive for cost saving. However it will be used in a later space mission, the 11th of its kind. But a joint Soviet-Austrian space mission is due to take place in autumn as scheduled.

Mir Cosmonauts Prepare for 19 July EVA

LD1807140191 Moscow All-Union Radio Mayak Network in Russian 1200 GMT18 Jul 91

[Excerpts] Cosmonauts Anatoliy Artysebarskiy and Sergey Krikalev have been working in space for exactly two months. They will be carrying out a record number of EVA's [extravehicular activity] during their flight. This is not because they are chasing records, but because

they are carrying out a very important experiment in building new large structures on the station's exterior which are to become elements in the next generation of orbital complexes. [passage omitted]

Tomorrow Anatoliy Artsebarskiy and Sergey Krikalev will again set off to work in open space. This is something we have become used to, but for American astronauts there has been an interval of five years since they last did this kind of work.

Chita Uranium Mine Undergoing Conversion

OW1807142091 Moscow Central Television First Program and Orbita Networks in Russian 0930 GMT 15 Jul 91

[A. Bardo video report; from the "Vremya" program]

[Text] Our Chita correspondents have visited the Priargunsk Chemical Mining Combine, one of the country's largest enterprises where uranium ore is mined for the military industry. [video shows a mechanical shovel loading ore into truck, then shows workers operating machinery]

[Begin recording] [Bardo] In the last two years the volume of production here has decreased by more than one and one-half times. This represents a loss of 50 million rubles, which can only be compensated at the expense of conversion. In contrast to many defense enterprises, the loss did not bring the combine to its knees. Today, the Priargunsk Chemical Mining Combine mines coal, manufactures a mass of chemical products, develops hydrometallurgy, and produces mining machinery and equipment for the national economy. [Video shows a large container being moved, chemical packaging operations, products]

These containers in particular are for milk storage. Last year, an experimental model was produced, and today the mechanical maintenance plant is, as they say, buried under production orders. In this until recently abandoned building, a universal cleanser made from zeolite is being made. Incidentally, this product has proven itself excellently in many regions of the country. Nevertheless, the relative prosperity here is regarded as extremely shaky. [video shows Bardo interviewing the Priargunsk Chemical Mining Combine Director S.S. Pokrovskiy]

[Pokrovskiy] The main thing is that a new law on conversion is needed. This law should provide sources of finance and preferential terms for a fixed period of time while we are gaining momentum, which is necessary for every enterprise undergoing conversion. Defined terms on lateral contacts are also necessary which, in the interim, will permit operations with other enterprises—namely, conditions such as these are needed. [end recording]

Military

Fire on Navy Vessel Causes 'Considerable Damage'

LD1807142891 Moscow TASS in English 1408 GMT 18 Jul 91

[By TASS correspondent Vladimir Konoplitskiy]

[text] Vladivostok July 18 TASS—The Admiral Tributs, a large anti-submarine ship of the Pacific Fleet, caught fire at mid-day today at a major Soviet ship repair base in the Far East.

Almost all of the city's firemen were sent to the scene. The fire lasted for about four hours. Skillful cooperation between fire-fighting boats from the merchant port and the Pacific Fleet, supported by ground forces, managed to stop it. Fortunately, there were no casualties, but considerable damage resulted to the ship.

The accident is being investigated.

Call-up Shortfall Threatens Army Capability

LD1807173991 Moscow Central Television First Program Network in Russian 1200 GMT 18 Jul 91

[From the "Television News Service" program]

[Text] General Krivosheyev, deputy chief of General Staff, evaluates the results of the spring call up as posing a threat to the military capability of the army and the navy. For example, in Estonia, the plan for the call-up was only 30 percent fulfilled; in Lithuania 12 percent fulfilled; in Georgia 8 percent fulfilled; and in Armenia 16 percent fulfilled.

Soldiers' Killers Caught Near Ulyanovsk

PM1807151991 Moscow KRASNAYA ZVEZDA in Russian 18 Jul 91 First Edition p 4

[Correspondent Captain B. Soldatenko report under the "We Report the Details" rubric: "Criminals Found"]

[Text] At 0230 15 July the guard detail of a military (Armed Forces) unit near Ulyanovsk was gunned down. Our readers learned this from yesterday's issue of the newspaper.

Yesterday a KRASNAYA ZVEZDA correspondent was informed at the USSR Ministry of Defense Press Center that the two armed criminals who perpetrated the heinous murder of 10 of their fellow soldiers were neutralized 16 July by forces of Army subunits and a special USSR Ministry of Internal Affairs subunit.

The criminals were discovered approximately 20 km from the unit's location. Returning fire, they first tried to take cover in a wood and then in a sand quarry. Realizing the hopelessness of their situation, one of them—Private V. Semenikhin—surrendered to a raiding party, while the second—Private S. Muradov—committed suicide...

The unit where this tragic event occurred has reported that one of the servicemen wounded by the criminals died 16 July. So, this bloody night's number of victims has come to 11.

An investigation is being conducted.

Baltic States Polled on Economy, USSR Talks

LD1607101791 Vilnius Radio Vilnius Network in Lithuanian 2100 GMT 15 Jul 91

[Text] The inhabitants of the three Baltic states assess negatively the economic situation in their countries. In the assessment scale from minus to plus 100, the inhabitants of Lithuania assess the economic situation as minus 21 points. In the neighboring states, the results are even lower—in Latvia, minus 34; in Estonia, minus 43 points.

The opinion poll was carried out in the three Baltic states at the same time—18-30 June. In Lithuania, 36 percent of the inhabitants expect that in a year's time the economic situation will improve; 33 percent of those polled think that it will not improve. Meanwhile, in Latvia, half the inhabitants have a pessimistic view, and in Estonia, three quarters of the inhabitants.

Sixty percent of those polled think that the negotiations with the Soviet Union are of the greatest importance to Lithuania. In Latvia, people are mostly concerned about the increasing crime, and in Estonia, the imperfect laws.

Meanwhile, in Lithuania, inter-ethnic relations are assessed favorably. Forty percent of Lithuanians and 27 percent of non-Lithuanians think they are good.

The poll in Lithuania was carried out by the Public Opinion Research Center attached to the Academy of Sciences.

Estonia

Incident at Customs Point Reported

OW1807120291 Moscow BALTFAX in English 1500 GMT 17 Jul 91

[Transmitted via KYODO]

[Text] In the north east of Estonia, at the customs post situated on the Narva Tallinn highway, fighting took place between customs officials and representatives of the so-called "workers' bands", which was only stopped after the intervention of the police. As has already been reported, the last few days in Narva, which has a largely Russian speaking population opposed to Estonian independence, the situation has begun to become strained. The reason for this is the government decision to install the above-mentioned customs post in spite of the decision of the Narva city council to close down customs point within the city limits.

As BALTFAX was told by the director of the Estonian Border Department, Andres Oovel, the conflict arose after the customs officials set up signs demanding cars to stop. The members of the "workers bands", which have been in existence some time, tried, according to Mr. Oovel, to "fulfil Soviet law", began to hinder the work of the customs officials. A police division intervened when the two sides argument developed into a physical conflict.

The work of this customs point has been practically paralysed.

On July 17 Sillamae, another Russian speaking town in the North East of Estonia, was visited by the Estonian Interior Minister, Mr. Olav Laanjarv. At a meeting with the leadership of the town council, a desiring was taken to suspend the work of the transport customs point 19km along the Narva-Tallinn highway "until a corresponding political decision has been taken", which, possibly, will be taken by the Estonian parliament next week.

Town Council Meets on Checkpoints

OW1807121091 Moscow BALTFAX in English 1800 GMT 17 Jun 91

[Transmitted via KYODO]

[Text] The town council of Kohtla-Jarve in north-eastern Estonia, whose predominantly Russian-speaking population are opposed to the republic's secession from the Soviet Union, met for its session on July 17. The council voted to support the resolution of the town council of Narva (another of the region's Russian-speaking towns) on the elimination of Estonia's customs checkpoints on the town's territory "so as to put an end to the blockade of the region." Note that a day earlier a similar "sympathy" move had been made by the municipal authorities of a third of the region's Russian-speaking towns, Sillamae. In another move, Kohtla-Jarve's town council accepted the proposal of the two other councils to hold a joint session to work out a plan for concerted action.

The situation in the north-east of Estonia worsened after the republic's leadership, in defiance of the above-mentioned decision by Narva's authorities, had set up a customs checkpoint at the 19th kilometre of the highway linking Narva and Tallinn where it crosses Estonia's border with the Russian Federation.

Kohtla-Jarve's deputies also demanded that the government of Estonia take part in the implementation of the anti-crisis programme of Valentin Pavlov's cabinet. There has also been a call that Estonia's parliament revoke its resolution which denies the right to municipal property to those towns which have declared the legislation of the Republic of Estonia null and void on their territory.

Foreign Minister Views 'Successful' London Visit

OW1807112291 Moscow BALTFAX in English 1230 GMT 17 Jul 91

[Transmitted via KYODO]

[Text] In an interview with "BF" [BALTFAX] today London head of the Estonian Foreign Ministry's Political Department Juri Luik said that a visit of Estonian Foreign Minister Lennart Meri to London was "successful".

Mr. Meri arrived in London during a meeting of the G-7 countries to explain the Baltic states' position in relation to giving economic aid to the USSR.

The leaders of the Baltics believe aid to the three Baltic republics should be given directly to them, not through the Center. They also suggest that granting an economic aid to the USSR should be linked with certain political guarantees for the Baltics.

Mr. Luid has appreciated the political declaration by the leaders of 7 major industrialized countries (published Wednesday) urging the USSR and the Baltics to begin bilateral negotiations and expressing support of the Baltic states' "fair aspiration" for independence.

Prices Cause Friction With Russians

PM180713991 Moscow IZVESTIYA in Russian 17 Jul 91 Union Edition p 2

[Report by correspondent L. Levitskiy: "The Higher the Prices, the Greater the Passion"]

[Text] Tallinn—Free prices have complicated the situation in Estonia and its relations with its neighbors. I. Silayev, chairman of the RSFSR [Russian Soviet Federated Socialist Republic] Council of Ministers, warned Prime Minister E. Savisaar that retaliatory measures will be adopted to defend the interests of Russians. In his opinion, Estonia has violated interrepublic accord by introducing unilateral price hikes without consultation. No less concern was expressed by Latvian Prime Minister I. Godmanis. And he added to journalists: Without competition among commodity producers free prices will lead only to a fall in production.

His words are confirmed by the Estonian experience. Last fall, there was a three- to five-fold increase in the cost of foodstuffs. But in the first six months of this year the population has received significantly fewer food products than previously: Meat is down by one-third, milk by one-quarter. And then came the 1 July price leap, which took not just Russia by surprise. The shopping basket once again has almost doubled in price. Fulfilling my editorial and family duty, I went to several stores. I found no dairy produce at all. I had more luck with meat, though, and bought beef at 23.7 rubles [R] per kilogram. The remaining purchases: 200 grams of butter at R5.4, a kilogram of tomatoes—R7.7, a cucumber—R5, new potatoes—between R4 and R6, eggs—R5. One bag full of essential stuff, no extras, and it set me back R67. Then I noticed something: If we have free prices, why then are the prices identical or almost identical in every store? Then it became clear: The suppliers are one and the same meat and dairy combines. I don't want to blame the peasants for the spiraling cost of living. That same meat almost doubles in cost en route to the customer. The manufacturers and traders have to be paid. And then a 10 percent purchase tax. But, I repeat, even given the cost of living there are still waiting lines. Hence the people's continued enormous bitterness.

Last fall Estonian Prime Minister E. Savisaar justified the price hikes by the need to defend the domestic market. Now this same argument is in vogue. Produce in Estonia has to be more expensive than in Russia. Otherwise the goods will go to their eastern neighbor, where appetites are insatiable. Furthermore, the Leningrad and Pskov peasant gains more from selling meat and vegetables in Estonia: An expensive market always attracts goods. Cheap goods attract customers: Leningraders witnessed an unexpected invasion of Estonian tourists into their waiting lines.

Obviously this is an attempt by the Estonian Government to forestall and resolve its problems without due consideration for its neighbors' interests, and it forced I. Silayev to protest as well. The more so as Russia and Estonia, Leningrad Oblast and Estonia, agreed to consult each other in such cases. But here, without any warning....

In an interview for the local press Economic Minister Ya. Leymann confirmed:

"It is true, we did not send any formal information on the price hikes. We ask the Russian Government to forgive us."

Nevertheless the minister considers the problem which has arisen to be too trivial to affect good relations with Russia. "Over the course of the next few weeks prices should automatically settle down and then we can expect passions to subside...."

But for now they are rising. A delegation of Leningraders came to Narva: They are concerned about the fact that Estonian customers have swooped on the cities of Kingisepp, Slantsy, and Ivangorod. But of course, the people of Narva understand only too well that they cannot survive at the expense of their neighbors. Now Narva is in a very difficult position. The city no longer obtains produce centrally. Prices for such produce increased sharply. Enterprises do not have the money to increase wages. Labor collectives suggested that the government grant the money received from the social tax to the city soviet in Narva and abolish the 10 percent tax on the sale of foodstuffs. The government does not agree with this. Neither does it accept proposals to transfer the city to a system of economic accountability and create a free economic zone in Narva. Rivalry between the city and republic authorities is increasing. There was a rally 10 July at which demands to create a free economic zone in Narva and an autonomous republic in the northeast were voiced.

The city soviet is trying to acquire products through barter deals. Enterprises intend to earmark part of their produce for exchange operations. And as the customs post holds up goods exports, it has been decided to close it.

Collectives at Union plants in Tallinn also rely on barter. The United Council of Labor Collectives managed to obtain 5,000 tonnes of mixed feed. They gave it to the kolkhozes and farmers in exchange for meat. The majority of plants now trade at pre-July prices. However, it is

understood that barter is a temporary stopgap. The government has more radically defended budget-funded organization workers, doubling their wages. On the whole, it is every man for himself.

Extremist groups do not hesitate to exploit such tension. In Vilyandi the communal grave of soldiers who died liberating Estonia was desecrated. In Tallinn a private residence housing the "Kodukaitse" headquarters and the department for pricing was blown up. All this happened on one and the same day.

Officials Deny TASS Report on Currency

OW1807052191 Moscow BALTFAX in English 0930 GMT 17 Jul 91

[Transmitted via KYODO]

[Text] On Wednesday the Estonian press carried articles denying the TASS report that the compulsory sales of the foreign currency of companies to the Estonian foreign currency fund will be conducted at the rate set by the Bank of Estonia as of July 17. The rate is 1600 percent higher than the commercial rate of the USSR State Bank which has been employed so far.

This week the Bank of Estonia set the rate at 29.22 rubles for one US dollar while the commercial rate of the USSR State Bank is 1.82:$1.

TASS reported this as a devaluation of the ruble as compared to other currencies in the territory of Estonia.

It is true that such a proposal was made by the Bank of Estonia at the beginning of this month, but it has neither been discussed or approved by the government.

The Estonian Finance Minister Rein Millar told the newspaper RAHVA HAAL that in his opinion such a step is inexpedient.

"This would mean that companies would get very many rubles which they have plenty of as it is," he said. Miller added that if the rate were changed the Estonian Government would need 40 million rubles more to purchase foreign currency for its currency fund.

The government intends to switch from the compulsory sales of foreign currency to the fund to a foreign currency tax.

An appropriate draft law will be submitted to the Estonian parliament in the near future.

Latvia

Interior Minister Vaznis on OMON Activities

OW1907093691 Moscow BALTFAX in English 1500 GMT 18 Jul 91

[Transmitted via KYODO]

[Text] Speaking at a press-conference in Riga on July 17, Latvian Interior Minister Alois Vaznis described the incident that took place on July 15 (when 12 OMON [special purpose militia detachment] policemen attacked 2 Latvian policemen in the Latvian capital and took them away to the USSR Interior Ministry's OMON base) as "another provocation suggesting that the USSR Interior Ministry is interested in the escalation of the armed conflict". According to him, such provocations are continuing, but the USSR Interior Ministry shows no willingness to put an end to them.

Vaznis said that the incident had been reported to Soviet Deputy Interior Minister Vitaliy Sidorov who is currently in Riga. A special group was set up to investigate the case. The Latvian minister expressed the hope that the Latvian Interior Ministry would be able "to resolve the new problems" in collaboration with the USSR Interior Ministry.

"If this does not take place we will have to discontinue relations with the USSR Interior Ministry in the near future and will only operate at the level of direct relations with the republican Interior Ministries," said Vaznis.

Police To Replace Militia By End of Year

LD1807224491 Riga Radio Riga International in English 2030 GMT 18 Jul 91

[Text] By the end of this year, Latvian militia will be fully replaced by the Latvian police. That was announced in the meeting of leading specialists of the Interior Ministry of Latvia. Such a transiton will be made according to the law about the police of Latvia. The policeman of Latvia also stressed that during the first half of the current year the number of crimes in Latvia has significantly increased.

The issues of the status of the commando troops of the USSR interior Ministry, better known as OMON or Black Berets, was also on the agenda of the meeting. Mr (Vitaliy Sidorov), the deputy chief of the Investigation Department of the Ministry of Interior of the Soviet Union, also took part in this meeting.

Militia To Return 'Plundered' Latvian Property

LD1807235491 Riga Radio Riga Network in Latvian 1730 GMT 18 Jul 91

[Excerpt] The militia will return plundered property and motor vehicles the Special Purpose Militia Detachments [OMON] combatants have appropriated at various times. This is what a deputy of the USSR Ministry of Internal Affairs Lieutenant General Vitaliy Sidorov, promised today at a meeting of the internal affair workers of the Republic of Latvia.

It was, however, noted that for the time being there could not be any talk about disbanding or redeploying OMON units, and therefore the future relations between both military formations had to be tackled by way of a compromise.

The republic's minister of internal affairs, Aloizs Vaznis, emphasized that there can be no kind of a compromise if the USSR Ministry of Internal Affairs is interested in causing armed conflicts, because no response by the other side can end them. The leadership of the USSR Ministry of Internal Affairs even endeavors in various ways to weaken the combat capability of the militia of Latvia and the fight against crime. [passage omitted]

Explosion Rocks Riga Procurator's Office

OW1907091591 Moscow BALTFAX in English 1500 GMT 18 Jul 91

[Transmitted via KYODO]

[Text] There was a powerful explosion in the Vidzy Procurator's Office in a Riga suburb in the afternoon of July 17. The explosive device had been planted by unidentified persons in the bathroom. The explosion ruined an inner wall and slightly injured a deputy procurator who was in his office. He has been hospitalized. An inquiry is on into the case.

Lithuania

Meeting Held With Soviet Military Procuracy

LD1107191591 Vilnius Radio Vilnius Network in Lithuanian 1600 GMT 11 Jul 91

[Text] The procurator general of the Republic of Lithuania, Arturas Paulauskas, and Deputy Prime Minister Zigmas Vaisvila have received new representatives of the USSR Military Procuracy in Vilnius and Kaunas, Shuragin and [name indistinct]. The current situation in solving crimes, problems, and prospects of cooperation between the Lithuanian Procuracy and other law enforcement institutions and the USSR Military Procuracy were discussed.

Both sides stated that the unwillingness of the former representatives of the USSR Military Procuracy and of the leaders of the Soviet Armed Forces in Lithuania to work together and acknowledge lawful institutions of the Republic of Lithuania was stimulating crimes and the avoidance of punishment. There was agreement on possible forms of cooperation, the exchange of necessary information, and the search of solutions orientating toward an agreement on legal assistance between the Soviet Union and the republic of Lithuania. [break in transmission]

Procurator General Paulauskas expressed his hope that this meeting would be the beginning of constructive cooperation. On the same occasion a meeting was remembered between Vaisvila and Paulauskas with the head of the group of the USSR Procuracy investigating the January events in Vilnius, [name indistinct], last June, immediately after the information letter by USSR Procurator General Trubin was sent to the USSR Supreme Soviet. At that time a representative of the USSR Procuracy admitted that he had not even read [words indistinct] and refused to exchange the results of the investigation with the Procuracy of the Republic of Lithuania. [words indistinct] that this meeting with the new representatives of the USSR Military Procuracy would bring positive changes.

Vagnorius Replies To Moiseyev's Telegram

OW1907092191 Moscow BALTFAX in English 1230 GMT 18 Jul 91

[Transmitted via KYODO]

[Text] Prime Minister of Lithuania Gediminas Vagnorius sent a reply telegram to USSR Armed Forces Chief of the Staff general Moiseyev Wednesday.

On Tuesday general Moiseyev in a message to the Lithuanian Prime Minister notified that the USSR Defense Ministry had ordered the commands of the Baltic Military district and the Baltic Navy to set up in military garrisons joint commissions with republic's and local authorities which would deal with social problems facing the military families.

Mr. Vagnorius in his turn reported that he ordered Minister without portfolio Aleksandras Abishala and General Director of the Lithuanian Home Defense Department Audrius Butkevichius to take measures on setting up the above-mentioned commissions.

The Lithuanian leadership considers the latest message from the USSR Armed Forces Chief of the Staff as a response to the initiative proposed earlier by the Lithuanian government.

Following the price increases it had offered the Baltic military district's command to settle social problems of the military together [sentence as received]. But the command replied in the negative then.

Food Delivery Agreement With RSFSR Honored

PM1907091391 Vilnius EKHO LITVY in Russian 9 Jul 91 p 1

[Text] Prime Minister Gediminas Vagnorius of the Lithuanian Republic has sent a telegram to Prime Minister Ivan Silayev of the RSFSR [Russian Soviet Federated Socialist Republic]. It reads:

We have given particular attention to the concern expressed in your telegram of 5 July 1991 in connection with the planned reduction of budget subsidies for meat products, milk, and bread and the corresponding 20-50 percent rise in prices for these food products envisaged by the Lithuanian Government resolution No. 249, dated 20 June 1991. This is to help bring our food product prices in line with the prices introduced in the Latvian Republic as from the beginning of the current year, and to promote a more rational consumption of scarce agricultural produce. With a view to the thoughts expressed in your telegram, I am to personally inform you that the Lithuanian Republic Government has not

yet adopted a final decision on the timing of possible price increases for these food products, and that even if the prices do go up, these products will continue to be exported to the RSFSR at the same fixed prices. The Lithuanian Republic would in no way infringe the vital interests of the Russian Federation. On the contrary, the Lithuanian Republic Government, aware of the complex situation in the supply of food to the inhabitants of Moscow and Leningrad, and of the fact that state purchases of agricultural produce have declined by 50 percent during the first quarter, has adopted a whole series of measures to increase meat and milk production and to honor contract delivery commitments. Higher purchasing prices funded from the republic budget, and the allocation of additional scarce goods to the countryside for meat delivered to the state, which in turn called for substantial expenditure of financial and material resources, have enabled us to fulfill meat delivery contracts to the RSFSR 100 percent since the beginning of the second quarter. We hope that this will promote mutual understanding and that the signed bilateral economic agreement will be fulfilled by both sides even in this complex economic situation. Strengthening of mutual trust will play an important role in this. I propose that we meet to discuss the aforementioned questions and other issues at your convenience.

Landsbergis Meets U.S. Official in Leningrad

LD1807222691 Vilnius Radio Vilnius Network in Lithuanian 1900 GMT 18 Jul 91

[Text] Vytautas Landsbergis, chairman of the Lithuanian Supreme Council, today received the new U.S. Consul General in Leningrad, Jack Lesley Gosnell. Their conversation, which lasted for over one and one-half hours, was friendly and sincere. Vytautas Landsbergis described Lithuania's present situation and stated that the U.S. assistance rendered to the Soviet Union should not harm Lithuania's interests.

In the opinion of the American diplomat, the most rational way to solve political problems is negotiations. He also proposed that private initiative should play a more important part in the development of U.S.-Lithuanian economic relations.

TASS Reports Worsening Economic Situation

LD1907024491 Moscow TASS International Service in Russian 1729 GMT 18 Jul 91

[By TASS correspondent Kazis Uscila]

[Text] Vilnius, 18 July (TASS)—The economic and social situation in Lithuania is continuing to deteriorate. This is confirmed by a report on the Republic's social and economic development in the first half of 1991, published today by the statistical department of the Lithuanian government.

State and mixed state-joint stock industrial enterprises produced output worth R11.6 billion this year. This figure is one percent higher than last year, but there was actually no growth in production. There were three more working days this year than in the first half of last year, and the average daily volume of production was 0.8 percent lower than last year.

Despite measures taken by the government to boost output and purchases of agricultural produce—in return for meat and milk sold to the state, suppliers receive the right to acquire furniture, various types of apparatus and household equipment and other goods in extremely short supply, even cars—production of meat was down by 19 percent, milk was down by 13 percent and eggs by 7 percent. Nor can one count on a sharp increase in production in the immediate future. Numbers of horned cattle on collective and state farms declined by 8 percent in the half year, by comparison with the same period last year. 5 percent fewer cows are being kept on the farms, with pigs down by 12 percent and sheep by 40 percent. This fact demonstrates that things will soon get even worse in the food sector.

The situation in trade on the consumer market is also deteriorating rapidly. In terms of actual prices, retail trade turnover rose by 60 percent. However, if one takes into account that this May the consumer was obliged to pay 4.5 times as much for a kilogram of beef as he did last December, while boiled sausage cost 3.3 times as much, butter 2.8 times as much and sugar 3.9 times, one can imagine how the inhabitants are struggling to make ends meet, especially because prices of industrial goods have risen, too. For example, the average cost of a suite of living room or bedroom rose by almost 300 percent. The same can be said of the cost of transportation and communications services and local public utilities.

The statistical report shows a rise—and, at 26 percent, a significant one—in just one indicator: crime.

'Crisis' 'Deepens'

LD1807204491 Vilnius Radio Vilnius in English 2130 GMT 17 Jul 91

[Text] The economic and social crisis in Lithuania deepens as the industrial and agricultural production goes down; prices of foodstuffs and commodities have sharply increased and the speed of capital and dwelling house construction is on the decline.

The statistics Department at the Lithuanian government has released data about the first six months of this year. The average daily output in industrial enterprises went down by 0.8 percent against last year, and last year our industry was greatly affected by the Soviet economic blockade which lasted over three months and inflicted upon Lithuania direct and indirect losses amounting to hundreds of millions of rubles.

Every second Lithuanian industrial enterprise cut down its production in the first half of this year, but owing to [words indistinct] and wholesale prices only 1.4 percent

of state-owned and joint stock companies were unprofitable. The indices of the falling agricultural production against the same period of last year is 19 percent for meat, 13 percent for milk, and 7 percent for eggs.

Recession in production had a negative effect upon pay. In spite of the price rises, the supply of foodstuffs to the population shows no sign of improvement, while the demand for consumer goods is defined by the Statistics Department as approaching panic buying. As compared with the end of last year, prices of all goods have gone up twice and there has been a similar increase in (?services) and prices of services.

Introduction of Goods Coupons Planned 29 Jul

LD1907092491 Vilnius Radio Vilnius Network in Lithuanian 2100 GMT 18 Jul 91

[Text] Goods coupons will be introduced in Lithuania on 29 July. They are also called general checks. This decision was adopted by the Lithuanian Government. They will be issued to the population at the beginning of next week, together with wages.

According to Prime Minister Gediminas Vagnorius they are not a money substitute, but they will fulfill a part of the functions of money. These coupons will have a certain fixed purchasing capacity which will be indicated on each coupon. Each of Lithuania's resident will receive each month a number of coupons of which the purchasing power will cover one-fifth of his pay. Additional coupons will be issued to land workers for meat and milk sold to the state. Their value will constitute 50 percent of the value of the sold produce.

The residents will be able to purchase only with coupons goods which are in great demand and which sometimes are the first necessity items: electrical and household appliances, furniture, fashionable clothes, footwear, fabrics, and so on.

In the opinion of the government, this will be a more perfect order of distributing these goods than now, when the majority of consumer goods are purchased blindly, disregarding demand. This has encouraged the resale of goods in short supply for gain.

In the opinion of the government, this measure should be effective for some time in regulating the goods market. It is expected that goods coupons will be valid until the complete freeing of prices. It seems that the freeing of prices in Lithuania is linked with the introduction of its own money. Yesterday, Gediminas Vagnorius showed the already produced samples of Lithuanian money on television. The prime minister emphasized at the same time that this did not mean that Lithuanian money would be introduced in the nearest future. The current political situation is unfavorable, he noted and added that Lithuanian money would be introduced only if relations with the Soviet Union aacquire some negative features. When this money would be introduced in a normal situation, the Lithuanian Government leader did not say.

Yesterday's decision provides for the possibility of issuing goods coupons to all servicemen in Lithuania. But Gediminas Vagnorius pointed out one condition: this would be done only if relations with the servicemen are normal.

No Intention To Introduce Currency Immediately

LD1807165391 Moscow All-Union Radio First Program Radio-1 Network in Russian 1400 GMT 18 Jul 91

[Text] Lithuania has its own money. This was reported by Lithuanian Prime Minister Vagnorius on republican television. He showed a set of metal litas and cents of various denominations. He also said that paper money exists. Vagnorius noted that Lithuania does not intend to introduce the currency immediately, as the political situation does not favor this. The prime minister stressed that Lithuania will try to introduce its own money if relations with the Soviet Union get worse.

Lithuanian President Visits Moscow 18 July

Yeltsin-Landsbergis Meeting Scheduled

LD1807135791 Moscow TASS International Service in Russian 1300 GMT 18 Jul 91

[By TASS correspondent Aleksandras Budris]

[Text] Moscow, 18 Jul (TASS)—Vytautas Landsbergis, chairman of the Supreme Council of the Lithuanian Republic, arrives today in Moscow. A TASS correspondent was told at the Lithuanian permanent mission that he should meet Boris Yeltsin, president of the Russian Federation, this evening.

According to the permanent mission, the meeting's participants intend, in particular, to discuss matters pertaining to a future agreement between Russia and Lithuania. Similar documents were signed last winter by Boris Yeltsin and the leaders of the two other Baltic republics—Latvia and Estonia.

In a recent interview with a TASS correspondent, Vytautas Landsbergis stated that the signing of an agreement with Russia is possible this summer.

Date For Treaty Signing

LD1907005491 Vilnius Radio Vilnius International Service in Lithuanian 2100 GMT 18 Jul 91

[Text] Today, the chairman of the Lithuanian legislature, Vytautas Landsbergis, visited Moscow. His unofficial meeting with Russia's president, Boris Yeltsin, took place in the Kremlin.

Before his departure to Moscow Vytautas Landsbergis noted to Radio Vilnius that he would talk to President Yeltsin about the possibilities of developing Lithuania's relations with Russia and would discuss how to conclude and sign the interstate treaty. In the opinion of Vytautas Landsbergis, the president of Russia, Boris Yeltsin, will play a very significant part in Lithuania's striving for independence. He is convinced that the president's stand will not differ from what he adhered to when he was chairman of Russia's parliament.

Aleksandras Abisala, minister of the Republic of Lithuania and coordinator of negotiations with the Soviet Union, also believes that the favorable policy of Boris Yeltsin, which became apparent last January, has not changed. I hope that this meeting will be the most decisive and important before the signing of the interstate treaty between the Republic of Lithuania and the Russian Federation, he said. He stressed that this was very important, not only for Lithuania's relations with Russia but also with the Soviet Union, because the Russian Federation constitutes its largest part.

Meanwhile, the independent agency BALTIC NEWS SERVICE has reported that Russaia's president stated after his meeting with Vytautas Landsbergis that the treaty between Russia and Lithuania will be signed on 29 July. Two other documents will be signed along with the treaty: one on Kaliningrad Oblast and the other on the departure of some Russian-speaking residents from Lithuania. Boris Yeltsin, in a meeting with journalists, noted that the treaty will guarantee the rights of the Russians in Lithuania and of the Lithuanians on the territory of Russia.

The chairman of the Lithuanian legislature stressed that the Russian president was especially concerned that the residents of Kaliningrad Oblast have guaranteed constant links with Russia. Vytautas Landsbergis noted that the position of Russia and of its president is of special importance toward the problems of Lithuania and the central leadership of the Soviet Union. Not a single great state rendered to us such support last January as Russia, he said.

It was agreed that the foreign ministers of both countries will meet in the near future to sign an agrement on opening bilateral missions in Leningrad and Kaliningrad.

The leader of the Lithuanian parliament will return to Vilnius tonight.

Yeltsin Comments on Treaty

LD1907015291 Moscow Radio Rossii Network in Russian 1900 GMT 18 Jul 91

[Text] Talks between Boris Yeltsin, president of Russia, and Vytautas Landsbergis, leader of the Lithuanian parliament, were held here today. Andrey Zenkov reports:

[Zenkov] On 29 July the treaty of 1920 will become history between Soviet Russia and Lithuania. On that date a new treaty on friendship and cooperation between the two republics will be signed in Moscow. This became known two hours ago at an improvised news conference in the Russian Soviet Federated Socialist Republic Council of Ministers, where Boris Yeltsin and Vytautas Landsbergis discussed the final details of the treaty today.

[Begin recording] [Yeltsin] We have had many various obstacles, therefore, we have gone quite a long way, several months; but on the other hand, we have polished it in much detail. The working groups have been working very thoroughly on both sides. Today, I and Mr. Landsbergis practically solved the final points. We think that today's treaty is ready for signing, and we set the date for signing as 29 July.

[Zenkov] What sort of difficulties did you have?

[Yeltsin] I would say the Lithuanian Republic approached the treaty thoroughly. For example, I mean the majority of clauses are for 10 years and the first clause does not have any time limit at all. The fact that we recognize the sovereignty of the state, in such a spirit—such a detailed approach and analysis of the events of 1939-1940, their evaluation that it was an

annexation against the Lithuanian people—all these historical documents needed to be checked in order to arrive at such a mutual decision and accord. Apart from the treaty, we have exchanged opinions on the situation in the republics, both the political and economic situation, on some questions of joint agreement regarding price making, to inform each other and agree in order to escape big distortions regarding these matters.

[Zenkov] So, in what status does the Russian Federation place the Lithuanian Republic?

[Yeltsin] As a sovereign state. [end recording]

Yeltsin May Visit NATO Headquarters in Nov

PM180714539l Moscow KRASNAYA ZVEZDA in Russian 18 Jul 91 First Edition p 3

[RIA report under "Direct Line" rubric: "B. Yeltsin Might Go to NATO Headquarters"]

[Text] Moscow—President of Russia Boris Yeltsin might visit Brussels this fall at the invitation of NATO Secretary General Manfred Woerner. Sergey Stepashin, chairman of the RSFSR [Russian Soviet Federated Socialist Republic] Supreme Soviet Committee for Security, informed a RIA correspondent that this was mentioned at a 13 July meeting between Vice President of Russia Aleksandr Rutskoy and Chris Donnelly, assistant to the NATO secretary general for East European countries.

Donnelly's visit took place within the framework of the developing contacts between the Russian leadership and NATO which were started off during the visit to Brussels by Colonel General K. Kobets, chairman of the RSFSR State Committee for Defense, at the end of this June.

Foreign Minister Visits Romania for Talks

Meets Iliescu

LD1807155791 Moscow TASS International Service in Russian 2332 GMT 17 Jul 91

[By TASS correspondent Dmitriy Dyakov]

[Text] Bucharest, 17 July (TASS)—President Ion Iliescu of Romania today received Russian Soviet Federated Socialist Republic [RSFSR] Minister of Foreign Affairs Andrey Kozyrev, who is here on a three-day working visit. During the meeting those taking part discussed a wide range of problems relating to the interests of both republics. Particular attention was paid to matters pertaining to the prospects for broadening economic cooperation between the RSFSR and Romania. The parties came to the conclusion that the reforms being implemented in both the USSR and Romania are creating a favorable situation for the establishment of closer political, economic, and cultural ties between the two republics.

The meetings held in Romania, A. Kozyrev said in the course of a press conference for Romanian and foreign journalists, have demonstrated that both sides are fully determined to overcome the difficulties they are currently encountering. One of the main tasks of our current visit is to set up the legal framework for new relations with Romania. A protocol on consultations between the ministries of foreign affairs of the RSFSR and Romania has been drawn up and will be signed tomorrow. A declaration on relations of cooperation, friendship, and good-neighborliness between the two republics has been worked out and will be signed during the visit of RSFSR President B.N. Yeltsin to Romania this autumn.

We have a high estimation of the business contacts set up with the largest of the Soviet republics, the Russian Federation, Adrian Nastase, the Romanian minister of foreign affairs, stressed in his address to the journalists. Thanks to direct links with the union republics, we now have a better idea of the potential for broadening economic cooperation and ways of strengthening direct political and cultural ties with them. This became possible as a result of the new relations with the USSR, the principles of which are enshrined in the treaty signed by the presidents of our countries in Moscow, the minister noted.

In reply to questions from correspondents, A. Kozyrev said that the closer ties being built up between the RSFSR and Romania served not only the interests of the peoples of Russia, but of the whole of the USSR. "The USSR leadership approves of our contacts with other countries, and there can be no doubt of that," the head of Russia's foreign policy department stressed.

Talks With Nastase

LD1807221491 Moscow TASS International Service in Russian 1335 GMT 18 Jul 91

[By correspondent Viktor Lev]

[Text] Bucharest, 18 Jul (TASS)—The official talks between Adrian Nastase and Andrey Kozyrev, the heads of the Romanian and Russian Soviet Federated Socialist Republic foreign affairs departments, ended today with the signing of a protocol on consultations between the foreign ministries of these states. Speaking on the occasion to journalists, A. Nastase stressed the importance of the signed document, which opens up the prospect of consultations and direct contacts between official representatives and experts of the Romanian and Russian Federation's foreign ministries. He also expressed the hope that the treaty now being drawn up on bilateral cooperation in the sphere of the economy and culture will be signed as early as during the visit to Bucharest by Russian President Boris Yeltsin, which is scheduled for this autumn.

Entrepreneurial Association With Israel Formed

LD1707203291 Moscow All-Union Radio Mayak Network in Russian 1500 GMT 17 Jul 91

[Text] The new Russia-Israel Foreign Economic Association has been registered at the USSR Foreign Economic

Relations Ministry and will promote the development of direct contacts between the producers of goods and technology. Enterprises and firms from Moscow, Krasnodar, Sverdlovsk, and Khabarovsk are among its founders. Association participants see creating conditions for activating mutually beneficial contacts between the entrepreneurs of Russia and Israel as one of its main tasks.

Russian Vice President Calls for New Party

LD190713189l Moscow TASS in English 1244 GMT 19 Jul 91

[By TASS correspondent Lyudmila Aleksandrova]

[Test] Moscow July 19 TASS—Russian Vice-President Aleksandr Rutskoy, also the leader of the Communists for Democracy Movement, has called for the creation of a new party.

The move is believed to be a continuation of Rutskoy's attack on the Russian Communist Party, whose Central Committee he had been a member of until recently.

The new party is expected to be named the Democratic Party of Russian Communists, and it will hold its constituent conference between August 3-4.

The new party is planning to split organisationally, up to division of property, from the Russian Communist Party, believed to be the most conservative part of the Soviet Communist Party due to its leadership's position.

A spokesman for the Communists for Democracy organising committee said the new party will join the movement for democratic reforms. Rutskoy was among its initiators.

The authors of the Communists for Democracy programme statement have not simply dissociated the movement from the Russian Communist Party, but sharply criticised its leadership, completely "burning its bridges".

"We believe that the Russian Communist Party leadership is not democratic and hence improvident," the movement leaders said, calling to "deny confidence in the course and leadership of the Russian Communist Party, led by Ivan Polozkov" and "unite democratic movements in the Communist Party in an organised force".

It seems that the Russian Communist Party leaders are embarrassed, but are pretending that nothing serious is happening. Asked about the initiative announced during the Fifth Russian Congress of People's Deputies, Polozkov told TASS that the new party is a "political game" and "political fiction", adding that he does not believe in the initiative's success.

Polozkov was also skeptical about the possibility of the Movement for Democratic Reforms becoming a real political force.

The Russian Communist Party is expected to express its official position during its plenary meeting, due in August, after the July Plenum of the Soviet Communist Party Central Committee.

Speaking during the recent plenary meeting of the Moscow City Communist Party Committee, its leader Yuriy Prokofyev, known for his centrist position, said the creation of a new party is a stage in the possible destruction of the Soviet Communist Party.

He said the next stages will be Rutskoy's party joining the Movement for Democratic Reforms and claims on the Soviet Communist Party's property. "After the Movement for Democratic Reforms declares itself a new party, Rutskoy's party will become Eduard Shevardnadze's party," Prokofyev said.

"Pressure on the Soviet Communist Party will increase, and during an extraordinary Soviet Communist Party congress there will be constant [word indistinct] for its self-disbandment and liquidation," Prokofyev believes.

Prokofyev said the party's split into "democrats" and "conservatives" is undesirable. He said another variant is preferable, [words indistinct] the Soviet Communist Party renovates itself. Party members, who disagree with its political and ideological aims, shall resign from the party".

The Soviet Communist Party is on the brink of serious trials, and the plenary meeting of its Central Committee between [words indistinct] will show which of the roads it chooses.

Leningrad CPSU May Demand Early Congress

OW1707014091 Moscow INTERFAX in English 1230 GMT 16 Jul 91

[Transmitted via KYODO]

[Text] The bureau of the Leningrad region's CPSU Committee is holding an enlarged meeting on Tuesday. Unofficial sources say that the session is going to issue an appeal on behalf of the Leningrad Communist Party to demand an early congress of the party by the end of the year to make changes to the party's leadership.

Earlier, the ideology commission of the regional CPSU committee issued a statement saying: "The crisis in the Communist Party has reached a fatal point. The party has fallen victim to its elite under the General Secretary. All of the recent plenums of the CPSU Central Committee simply rubber-stamped decisions made at the highest level of state power."

The ideology commission of the Leningrad region's CPSU committee believes that the party has as a matter of fact been barred from politics and power.

Kulik Leaves Party Central Committee

OW1907053091 Moscow INTERFAX in English 1230 GMT 18 Jul 91

[Transmitted via KYODO]

[Text] As IF's [INTERFAX] correspondent learned from well-informed sources, Gennadiy Kulik who served as first deputy prime minister in Russia's previous cabinet (the new one has not been formed yet) has asked to be dismissed from the Central Committee of Russia's Communist Party.

G. Kulik was in charge of the agrarian sector. Explaining his step, he said that the stand of Russia's Communist Party on the basic problems of furthering farming runs counter to the agrarian policy endorsed by the Congress of Russian People's Deputies, by Russia's parliament, by laws and government decrees.

His decision to withdraw from the Central Committee of Russia's Communist Party is also a protest against the Central Committee's ungrounded charges that Russia's Government sought to destroy collective and state farms.

Denies Party Accusations

LD1807150491 Berlin ADN in German 1424 GMT 18 Jul 91

[Text] Moscow (ADN)—According to an Interfax agency report, Gennadiy Kulik, deputy chairman of the Russian Soviet Federated Socialist Republic [RSFSR] Council of Ministers and (RSFSR) minister of agriculture and food, has left the Central Committee of the Communist Party of the largest Soviet republic. In a statement, he justified this step by saying that the position of the Communist Party on principle questions of agricultural development differed strongly from the policies that the Russian legislature and government had resolved. In his letter, Kulik rejected as unfounded accusations by the Russian CP leadership that the republic's government wants the collapse of collective and state farms. Within the framework of the current reforming of the Russian Government, Kulik has not yet been reconfirmed in his positions.

DR Leader Reserves Judgement on Reform Movement

PM1807134791 Moscow PRAVDA in Russian 16 Jul 91 First Edition p 3

[TASS correspondent report: "You Could Not Put It More Bluntly: 'If It Is Against the CPSU—We are "In Favor!"' "]

[Text] Touching on the problem of the establishment of the "Movement for Democratic Reforms," L. Ponomarev, one of the leaders of "Democratic Russia [DR]," told a TASS correspondent that "the leadership of 'Democratic Russia' has decided to adopt a wait-and-see position for the time being, until the new organization's statutes and program are revealed." "But we were also forced to take defensive measures, calling on our supporters not to join the 'Movement for Democratic Reforms,' and not to send their representatives to its organizational committee."

In Ponomarev's opinion, the "Movement for Democratic Reforms" may try to "rapidly capture the base" of both "Democratic Russia" and the CPSU, and to occupy the left-of-center middle ground between these two forces. "If it splits the CPSU, we will welcome its activity. However, if they try to win over forces from 'Democratic Russia,' we will put up a fight."

'Communists for Democracy' Program Statement

PM1907100191 Moscow ROSSIYSKAYA GAZETA in Russian 18 Jul 91 pp 1, 2

["For the Creation of a Democratic Party of Communists of Russia. (Program Statement of the 'Communists for Democracy' Movement)"]

[Text] Dear Fellow Countrymen!

Mankind is on the threshold of a breakthrough to a new civilization—a period of the world development of open civic communities, joint solution of global problems, and universal cooperation for the formation of societies whose main criterion is the free development of the individual on the basis of the achievements of universal human culture. The world is witnessing the close intermingling of bourgeois democratic, socialist, social democratic, national liberal, and other relations, rights, values, and aims which requires the expansion of social and individual views of the means of achieving an efficient economy, social and national accord, high culture, and political common sense.

Our society is clearly oriented toward the transition to a radical economic reform connected with a change in the forms of ownership, the introduction of market relations, and the practical realization of the individual's economic freedom. The 28th CPSU Congress formulated these fundamental ideas in the specific guidelines of party organizations' activity at local level. However, perestroyka has begun to mark time because its real content has entered into conflict with the group interests of the party apparatus, which has not understood the essence of the historic moment of the ending of eras and a situation in which power is transferred to other structures elected by the people, and has failed to grasped the main point—the need to radically change property relations. In fighting to preserve its power, the party apparatus has chosen the method of vulgarizing the ideas of perestroyka and opposing the new course of state power and the processes of democratizing society.

The communist movement itself, which by its essence and theoretical basis is required to be the movement for the people's democratic freedoms, a sophisticated economy and the social organization of life, the dignity and rich needs of each person, and the prosperity of all

society, has been turned by the apparatus into a movement for its own benefit. The new party structures formed during the period of the 28th CPSU Congress continue to defend the party's own benefit. Particularly successful in this respect is the leadership of our republic's communist party, which gives little thought to how to make the party serve the people or make its activity useful to and accepted by the people.

We regard the present leadership of the RSFSR [Russian Soviet Federated Socialist Republic] Communist Party as undemocratic and consequently short-sighted. Having fully mastered social demagoguery and political cynicism, it has for an intolerably long time been exploiting the feelings of people linked with the party by many years of sincere devotion. We set ourselves the task of separating the democratic traditions and moods which existed in the communist party's history from orthodox phraseology, administrative and bureaucratic traditions, and conservative attitudes. It is precisely the democratic traditions in the party that have made possible the mass acceptance by rank and file party members of the ideas of April 1985. Thus it is logical today to unite the democratic streams within the communist party into an independent organizational force. We urge Russia's communists not to place their trust in the course and leadership of the RSFSR Communist Party headed by I. Polozkov for opposing changes vitally necessary to the country, thus consigning the party itself to the role of a reactionary and anti-people force. We urge them to organize in the new democratic party of the communists of Russia.

We think that this is not the time to debate ideological differences with various conservative-minded detachments of the party, now is the time for democratic action. Relying on the intellectual potential, traditional level of organization, mass nature, solidarity, and skills of collective creativity, it is necessary to steer the party onto the path of democratic intraparty relations and effective practical action to resolve the most urgent problems of preventing the threat of famine, the disintegration of the country, interethnic discord, and ecological catastrophe.

By their participation and activity, communists must step up the pace of economic reform as much as possible. With our active assistance for the new power structures, it is necessary to realize the principle of diversity and equality of forms of ownership and the denationalization and demonopolization of production while observing the principle of the priority of the labor collective's will and its committed influence on production management efficiency. It is necessary to promote privatization and enterprise while exercising democratic control and preventing unlawful economic activity, to promote the creation of effective mechanisms of government protection for citizens on low incomes, to assert the economic organization of activity in which every able-bodied citizen by his labor can secure for himself and his family a decent standard and quality of life.

It is also necessary today to establish discipline in production, to combat the mafia and corrupt bureaucracy, and to universally eliminate mismanagement, indifference to work, and filth, lack of culture, and ignorance.

There must be a fundamental review of the communist party's actual place in a changing society. The switch to multiparty, parliamentary democracy means eliminating in practice, not just in words, the CPSU's political and ideological monopoly and its direct functions of power. It is in communists' own interest to promote the development of a multiparty system in which diverse political forces using civilized methods struggle for influence in society, asserting in free elections their viability and the formation of organs of power.

The organization of Communists today necessitates constructive collaboration with the lawfully elected people's power, support for its progressive initiatives, promoting the implementation of adopted laws, active work in parliament and local representative organs, the presentation of socially constructive proposals, and criticism of inconsistent, ill-considered, and hasty decisions on the part of the new state authorities. The new party must be able to accept compromises, enter political blocs, and finds ways to cooperate with other parties and organizations, especially with the Democratic Party of Russia, the Peasant Union, the Social Ecological Union, the "Green Alternative" movement, and other movements which enjoy the people's support.

Since April this year, the Organizing Committee of the "Communists for Democracy" movement has done much work in local party organizations aimed at eliciting Communists' opinions and, relying on their active support, will immediately prepare a program and party rules on the basis of the new Statement's principles. It is necessary to prepare a congress or party conference, electing delegates to it who support the course of radical democratization of the party and society. The congress must adopt a progressive program which meets the needs and prospects of social development. Supporters of the "Movement of Democratic Reforms" and "Civil Accord" must be involved most actively in this process. Our activity must be based on substantially reworked rules which will reflect the party's structure, its organizational principles, and forms and methods of work consonant with a party of the new type—a party capable, by political methods and based on parliamentary democracy, of achieving influence in society and pursuing a line corresponding to the people's interests in the democratic process of transforming society.

We are a party of resolute democratic action! We invite people from all categories of activity to join our ranks—workers, peasants, scientists, students, the intelligentsia from the engineering and technical fields and the humanities, cooperative members, private farmers, businessmen, and managerial staff—all who are ready to work not only for themselves but also for the common cause of reviving Russia.

On behalf of the Organizing Committee:

[Signed] A.V. Rutskoy, V.M. Adrov, I.V. Vinogradova, V.I. Ikonnikov, V.V. Perfilyev.

Silayev on Domestic, International Issues

PM1907100791 Moscow MOSKOVSKIYE NOVOSTI in Russian No. 26, 30 Jun 91 (Signed to Press 25 Jun 91) p 5

[Interview with Ivan Silayev, chairman of the RSFSR Council of Ministers, by observer Lyudmila Telen; date, place not given: " 'Boundless' Economy"]

[Text] Everyone knows what is happening in Novo-Ogarevo today. Less known are the events taking place somewhere else near Moscow—in the out-of-town residence of the Cabinet of Ministers. There Valentin Pavlov and representatives of the republics have in recent days been finalizing the joint anticrisis program. Will it be possible to recement the disintegrating union of Soviet republics with the help of the economy? Ivan Silayev, chairman of the RSFSR [Russian Soviet Federated Socialist Republic] Council of Ministers, answers this and other questions from MOSKOVSKIYE NOVOSTI observer Lyudmila Telen.

[Telen] As is known, the Union Cabinet of Ministers and the republics have finished drawing up a common anticrisis program. Has Russia managed to reconcile its interests with the common interests?

[Silayev] To a considerable extent, yes. In the course of detailed discussions the USSR Cabinet of Ministers adopted many of our principal conditions. These are, above all, the transfer of foreign economic activity to the republics and the placing of state orders through republic structures. It is also written in the document that in the third quarter the main production collectives will pass to the republics' jurisdiction.

[Telen] Nevertheless, Russia and the Ukraine have not yet appended their signatures to the joint program. Does the Russian Government have objections in principle?

[Silayev] The main objection is connected with the formation of the Union budget. The center insists on a two-channel system, including a federal tax. We favor the one-channel system.

[Telen] According to the plan, the anticrisis program is to restore the unified economic space within the Union. But this is not enough for radical reforms. Our economy must be open to the whole world community. How do you evaluate Russia's chances in this sense?

[Silayev] Of course, the Russian Government wishes to make the republic's economy open to cooperation with both the West and the East. Our potential is another matter. Today we are depressingly poor. Not only do we not have currency, we do not have the corresponding structures either.

[Telen] Does this mean that hitherto the Russian Government has not conducted independent foreign trade activity in earnest?

[Silayev] No, this is not so. For we have resolved a mass of urgent current tasks. There are no raw materials, not enough grain, medicines.... Naturally, we have been forced to seek some transitional options and to make contacts with foreign business circles, apart from official structures, in order to alleviate at least somehow the situation in the republic....

[Telen] As I understand it, there have been miscalculations on this path too. Thus, THE WASHINGTON POST, for example, recently carried an article about a certain U.S. millionaire named O. Roy Chalk. He had allegedly undertaken to set up a Russian aid fund for a sizable remuneration. However, the newspaper cast doubt on his business reputation.

[Silayev] And totally in vain. We made inquiries about Mr. Chalk even before having talks with him. And written recommendations from very authoritative people spoke in his favor. We ourselves were able to judge his connections and weight in the business world during a visit to the United States. He really was to have set up a Russian aid fund and attract U.S. entrepreneurs for this purpose (and, incidentally, receive remuneration only after payments were made into a Russian Bank account). Unfortunately, at just that time the Lithuanian events sharply exacerbated the situation in the country. A noisy propaganda campaign was organized over "the case of the 140 billion...." Naturally, our foreign partners quite understandably were put on their guard—no money entered the fund.

[Telen] But, nevertheless, you are not giving up such forms of cooperation, are you?

[Silayev] I consider them both acceptable and useful. It is another matter that they will not be the main ones under conditions of normal foreign economic activity. Official structures, mechanisms, and ties at government level will emerge.

[Telen] But this seems at present to be a remote prospect for Russia. Foreign partners prefer to deal with the Union.

[Silayev] This is not so. Precisely today we are observing interest in the republic on the part of official circles in the West and in the East.

[Telen] Do you mean the meeting between U.S. President Bush and Russian President Boris Yeltsin?

[Silayev] Yes, that above all. But I too, for example, recently received an official invitation from the Japanese Government.

Oleg Lobov Appointed First Deputy Premier

PM1807150391 Moscow SOVETSKAYA ROSSIYA in Russian 18 Jul 91 First Edition p 1

[Decree by RSFSR [Russian Soviet Federated Socialist Republic] President B. Yeltsin dated 15 July 1991: "On the Appointment of Comrade O.I. Lobov to the Post of First Deputy Chairman of the RSFSR Council of Ministers"]

[Text] Comrade Oleg Ivanovich Lobov is to be appointed to the post of first deputy chairman of the RSFSR [Russian Soviet Federated Socialist Republic] Council of Ministers.

B. Yeltsin, RSFSR president.

Deputies Cited on Supreme Soviet Chairmanship

PM1807141391 Moscow SOVETSKAYA ROSSIYA in Russian 17 Jul 91 First Edition p 2

[Unattributed report under the "From Congress Stenographic Record" rubric: "Who Speaks in the Language of Ultimatums?"]

[Text] V. Lisin, coordinator of the "Rossiya" group:

"Special concern is aroused by the fact that active attempts are now being made to revive the image of the enemy and to create an atmosphere of hysteria and psychosis...."

Esteemed colleagues. I am addressing you on behalf of our group. In the struggle for a deputy's mandate each of us bore in mind, above all, the interests of Russia and the interests of the people who inhabit it. Today each one is once again undergoing a test of his civic courage and political maturity.

We do not believe that the congress has entered an impasse or that it is not capable of electing a Supreme Soviet chairman. But we can see how certain forces are pushing us toward this. In the first months of the presidency in the Russian Federation it profits some people to have a congress which has been compromised in the eyes of the voters and a weakened Supreme Soviet and not to have a Constitutional Court at all.

This is evidently why some deputies' groups, mainly those geared to the positions of "Democratic Russia," are beginning to speak in the language of ultimatums. And, in our view, it is their reluctance to take the existing realities into account and to find reasonable alternatives that is a source of tension at the congress.

Special concern is aroused by the fact that active attempts are now being made to revive the image of the enemy and to create an atmosphere of hysteria and psychosis, i.e. to set in motion the methods of pressuring deputies which have already been tested at the previous congresses. In particular, everything is being done to present the main candidates for the post of chairman—Baburin and Khasbulatov—as champions of extreme political positions. Actually, both of them frighten both radicals and conservatives with their independence and principledness.

In this connection the "Rossiya" group declares: To allow the work of the present congress to be wrecked means giving authoritarian forces an opportunity to discredit representative organs of power by accusing them of being incapable of working constructively. But we believe that the congress has not exhausted its potential.

The "Rossiya" group proposes to the "Democratic Russia," "Communists of Russia," "Smena," "Rossiyskiy Soyuz" [Russian Union], and "Bespartiynyye" [Nonparty] deputies' groups and to people's deputies of other groups that the leadership of the Supreme Soviet be formed on the basis of a grand coalition. We need to preserve continuity in the work of the Supreme Soviet and not upset the established balance of forces and interests of the various groups and national-territorial formations.

Of course, the language of ultimatums is simply out of place in this complex negotiating process. What is more, it discredits in the eyes of voters those who continue to come out from such positions.

The "Rossiya" group believes that on the basis of a grand coalition we will be able to fulfill the tasks set before the Congress of electing the head of the Supreme Soviet and the Constitutional Court and continuing the profound economic and political reforms.

Yu. Afanasyev, cochairman of the "Democratic Russia" movement:

"...If this proposal is rejected, I, as cochairman of the 'Democratic Russia' movement, appeal to Russia's citizens to mount a broad campaign to recall all deputies without exception...."

I am a newly elected deputy. So, our congress is said to have reached an impasse. I would define it differently: What has reached an impasse is the policy of one-sided compromises or, rather, one-sided concessions which democrat-deputies have made to representatives of the partyocracy all year, starting with the first congress. (Noise in the hall). All year, starting with the first congress (noise in the hall), all year the Communist factions set up an obstruction in every case, opposing Yeltsin's course, a real improvement in the people's life, and the real implementation of Russia's sovereignty in respect of the Union's party and bureaucratic leadership. (Noise in the hall increases).

I will make a specific proposal, but still I.... (noise in the hall) ...It suits me better like this. A characteristic example of these concessions is the land reform—one of many laws cut back and spoiled by concessions to the Communists. (Noise and shouting in the hall). We sought to work in harmony with them at all costs even after the statement of "the six." Even after troops were brought into Moscow at the request of Communist

deputies. (Noise and shouting in the hall, slow handclapping). After the third congress, which they convened in order to bring down Yeltsin, he extended his hand to his political opponents, whom, including Baburin, their voters were already ready to recall. But these people know no sense of gratitude and do not strive for concord, although they constantly call for it.

What is happening today?

By choosing Yeltsin and rejecting the five nominated by the CPSU Central Committee, the people came out unequivocally (noise and shouting in the hall) against the supremacy of the partyocracy and for vigorous and radical support for democratic changes. And now, taking advantage of the fact that the composition of the congress was formed a year ago, when the positions of the partyocracy in Russia were far stronger than now, its representatives are making an attempt to negate the clearly expressed will of the people, making an attempt....

I am drawing to a close. The election of Baburin, who voted against Yeltsin and is a vehement opponent of his course, would make it possible to tie Yeltsin and Silayev hand and foot and then to hold them responsible for the famine and destruction to which Russia would inevitably come in this case. And this design is perfectly obvious. We have no right to allow it to be realized. Proceeding from what I have said:

First, I propose to all the factions which nominated Baburin's candidacy and to those who support them that this candidacy be removed from the discussion and that an attempt be made to replace him with someone of the same kind.

Second. If this proposal is rejected, I, as cochairman of the "Democratic Russia" movement, appeal to Russia's citizens to mount a broad campaign to recall all the deputies without exception who belong to these factions. (Noise in the hall).

I believe that this appeal will get the necessary response.

Third. I urge deputies of a democratic orientation to leave this hall now and to allow the Communists a further two or three hours to talk among themselves. If, as a result of this discussion, they express readiness to accept the proposal that has been made, the work of the congress will be continued. Otherwise....

S. Yushenkov, member of "Democratic Russia:"

"...Suggest to the 'Democratic Russia' faction that it change its name in view of its departure from the original principles professed by the 'Democratic Russia' bloc."

Esteemed people's deputies, in the "Democratic Russia" bloc, through the efforts virtually of the faction of the same name alone, the principles on whose basis the bloc itself was formed are being flouted. This means, above all, respect for the rights of the minority and denial of the formula that all means are good to achieve a purpose. As is known, the denial of precisely these principles was a distinguishing feature of Bolshevism. Unfortunately, many deputies are beginning to be infected by this disease.

At a session of the "Democratic Russia" faction in the Lenin Room I and my supporters were called "pure democrats." I am proud of that assessment, for we really do advocate principles of pure democracy. Incidentally, the Bolsheviks always came out precisely against these principles. True, I do not like the assessment that certain members of this faction made in calling me and my supporters provocateurs, agents of the KGB, and agents of Staraya Ploshchad [address of CPSU Central Committee]. (Noise in the hall, applause).

The split in our faction was not caused by confrontation between the candidacies of Khasbulatov and Shakhray, for even supporters of Ruslan Imranovich say that "Shakhray is better, but he is still impenetrable." Have we gathered at this congress to choose rogues? (Noise in the hall, applause).

The position of the rest of our group is to expunge all three deputies. The situation at the congress clearly attests that in the dispute between freedom and democracy many people scorn freedom. I suggest to deputies who disagree with the rigid course of the "Democratic Russia" faction, first, that they form a "Freedom and Democracy" faction; second, that they suggest to the "Democratic Russia" faction that it change its name in view of its departure from the original principles professed by the "Democratic Russia" bloc.

Moscow's Government Holds Its First Sitting

PM1907093991 Moscow IZVESTIYA in Russian 17 Jul 91 Union Edition p 1

[V. Belikov report: "First Sitting of the Moscow Government"]

[Text] The Moscow government headed by its Premier Yu. Luzhkov, the capital's vice mayor, met in the morning of 16 July for its first sitting.

It was already reported that the government is the successor of Moscow Gorispolkom [City Soviet Executive Committee] and, naturally, holds its sittings in the same hall at 13 Tverskaya Street and on the same days of the week as the previous organ of executive power. The agenda, which was distributed in advance, indicated that the first item had already been dealt with—it concerned the composition and structure of the cabinet. The cabinet includes the premier and his deputies—the ministers who form the government collegium, and also deputy premiers and government members.

The activity covers the management of six large complexes: the city infrastructure, the economy and city property, social policy, the construction industry and investment complex, foreign economic ties and scientific and technical development, and the development of a

consumer market. Each of these spheres is headed by a deputy premier, and these have already been appointed. They are A. Voronin, V. Karnaukhov, V. Korobchenko, B. Nikolskiy, I. Ordzhonikidze, and V. Resin. They are well known to Muscovites because of their work in recent years in leading posts in the capital city's organizations.

The same sitting considered two specific questions concerning present-day life in the capital. One of them was connected with the significant lag in the laying of new subway tracks—the Lyublinsko-Dmitrovskaya line and the extension of the Gorkovsko-Zamoskoretskiy line. This concerns providing the most convenient city transport for the large housing estates in the southeast of the city, specifically the residential districts of Maryino and Brateyevo. The Moscow Subway Construction Department has been instructed to immediately start work in order to bring the new sections into use in 1995.

The first sitting of the Moscow government concluded with a discussion of the question of involving the city's inhabitants in this year's harvest campaign. It was noted that the capital's organizations will give assistance to farms which conclude contracts guaranteeing certain conditions for the accomodation and remuneration of Muscovites who come to help. The main condition is the prompt supply of high-quality agricultural produce to the capital in fall and winter.

Prokofyev Opens Moscow Party Committee Plenum

LD1807084291 Moscow TASS International Service in Russian 1245 GMT 17 Jul 91

[By TASS correspondent Ruben Shirinyan]

[Text] Moscow, 17 Jul TASS—The plenum of the Moscow City CPSU Committee and the Control Commission attached to the city party organization is discussing Moscow communists' attitude to the processes taking shape in society and in the party. The plenum opened here this afternoon. I was opened by Yuriy Prokofyev, member of the CPSU Central Committee Politburo, first secretary of the City Party Committee.

"I think that the assessment of the situation in the party will be given at the plenum. Problems connected with the forthcoming signing of the union treaty, and the city's going over to market relations are likely to become the centre of attention," Vyacheslav Remisov, an adviser for the first secretary of the Party City Committee told a TASS correspondent during an interview

The Moscow City Party organization had approximately 900,000 members last year; 80,000 left its ranks in the first six months of this year.

Crisis Situations Discussed

PM1807150591 Moscow PRAVDA in Russian 18 Jul 91 Second Edition p 2

[Yu. Makhrin report: "Position Held By Moscow CPSU Gorkom"]

[Text] A combined Moscow Gorkom [City Party Committee] and Moscow City CPSU Organization Control Commission plenum was held yesterday. There was one question on the agenda: their stance in the contemporary sociopolitical situation.

Yu.A. Prokofyev, gorkom first secretary, delivered a report. He said in particular:

"A new phase has begun in the development of perestroyka. The champions of supercentralized state socialism have no chance of returning to the period pre-April 1985. The nature of the political struggle in the near future will be determined by the rivalry between the adherents of various courses of reform."

The plenum's participants described the situation in the country, in Moscow, and in the party as a crisis. They said that they advocate diverse forms of ownership with priority being given to collective ownership, but oppose the indiscriminate translation of Western-style institutions and mechanisms to our conditions. That avenue of reform will intensify the social stratification of society.

Concern was voiced over the form of destatization and privatization of ownership, which is opening the way to the unchecked transfer of the social wealth accumulated by the labor of all generations of Soviet people into the hands of black market operators.

While backing the most speedy signing of the Union treaty, the plenum said that the existing draft cannot guarantee conditions for harmonious cooperation between nations and ethnic groups. It called once again for the consequences to be considered and the requisite amendments to be made to the treaty.

When proceeding with radicalization of reform, we must avoid political diktat by any forces, the plenum's political statement said. The tendency for a narrow group of politicians to adopt decisions without consulting with the people is beginning to manifest itself with increasing vigor in domestic political relations today.

The plenum believes: The renewal of the party has been dragged out. It is not CPSU policy that is being carried out, but a policy in its name. The threat of a split in the party, of its becoming a kind of liberal movement divorced from the interests of the main population groups has become a real one.

The Moscow CPSU Gorkom and the Control Commission advocate convening RSFSR [Russian Soviet Federated Socialist Republic] Communist Party and CPSU Congresses this year. Their work should result in the reregistration of party members, the cadre renewal of its leadership bodies, the adoption of a new Program, and changes being made to the CPSU Rules as prompted by life.

Pavlov Arrives in Yakutsk, To Meet Miners

LD1707233791 Moscow All-Union Radio Mayak Network in Russian 1630 GMT 17 Jul 91

[Text] USSR Prime Minister Valentin Sergeyevich Pavlov arrived in Yakutsk today. According to the preliminary schedule, the head of the government and leaders of a number of Union ministries and departments accompanying him will stay about two days in this northern republic. Tomorrow the prime minister will visit Udachnyi, the city of diamond miners, and Neryungri, the center of Yakutia's coal industry. On 19 July Valentin Sergeyevich Pavlov will visit the agricultural Ust-Aldanskiy rayon, and will meet the soviet and managerial aktiv in Yakutsk. On the same day, the head of the Soviet Government and his entourage will fly to Petropavlovsk-Kamchatskiy.

Meets Miners

LD1907022191 Moscow All-Union Radio Mayak Network in Russian 1530 GMT 18 Jul 91

[Text] Today USSR Prime Minister Valentin Pavlov is in Yakutia-Sakha. In the morning, he visited the diamond mining town of Udachnyy. He was a guest of the coal mining center of Neryungri. Pavlov talked to the workers at the mine, visited a repair and mechanical shop and visited residents.

Explosion Aboard Tanker in Vladivostok Harbor

OW1907013691 Moscow Central Television First Program and Orbita Networks in Russian 0930 GMT 17 Jul 91

[From the "Vremya" program]

[Text] TASS telegram from Vladivostok: The city's morning quiet was shattered by an explosion in Zolotoy Rog bay. It seems to have been a powerful explosion. The explosion was aboard the tanker Izhora, tied up at the mooring wall. Civil Defense headquarters advises that the reason for the explosion was an infringement of equipment safety rules during welding work on board the ship. According to preliminary reports, two workers were killed and three were wounded. Neighboring ships were not damaged, but windows in nearby houses were blown out. Investigations are under way.

Belorussia

Military District To Create Trade Union

LD190702269l Minsk Radio Minsk Network in Belorussian 1710 GMT 17 Jul 91

[Text] In response to numerous proposals to create their own independent trade union from employees of military units of the Belorussian military district, the Presidium of the Federation Council of Belorussian Trade Union has set up an organizational committee for preparing and holding a constituent congress of the Belorussian Republican Trade Union of employees of USSR Armed Forces. The congress will take place at the end of this September.

District and other military newspapers published the draft rules of the new independent trade union. It will help both military units' organizations and individual employees to formulate their opinions in good time. Work has begun on an agreement between the leadership of the Belorussian Military District and the trade union specifying conditions on the protection of the social, economic and labor rights of employees of military units.

Party Leaders Meet Baltic Counterparts in Minsk

LD1807163591 Moscow TASS International Service in Russian 2241 GMT 17 Jul 91

[By TASS correspondent Larisa Lazar]

[Text] Minsk, 17 Jul (TASS)—After working up a common point of view regarding the preservation and renewal of the USSR, we should now be united, in spite of all our differences, said Alfreds Rubiks, member of the CPSU Central Committee Politburo and first secretary of the Central Committee of the Latvian Communist Party, at a meeting of the party leaders of Latvia, Lithuania, Estonia, and Belorussia, which was held in Minsk today. Discussed at the meeting were the strategy and tactics of the party organizations under current conditions. The leaders of the communist parties are unequivocally in favor of a renewed alliance, taking into account the sovereign rights of the republics.

The participants in the meeting noted that in spite of the fact that the communist parties are operating under different conditions, they are united by common interests aimed at getting the country out of the social, political, and economic crisis. They spoke out in favor of convening an extraordinary party congress.

Sholodonov Interviewed on Draft Union Treaty

PM1807135591 Moscow PRAVDA in Russian 16 Jul 91 First Edition p 2

[Interview with V. Sholodonov, deputy chairman of the Belorussian SSR Supreme Soviet, by O. Stepanenko and A. Ulitenok; date of interview not given; published under the rubric: "Union Treaty: Republics' Stance": "Unity—the Guarantee of Success"]

[Text] Minsk—[Sholodonov] It is known that the Belorussian SSR [Soviet Socialist Republic] Supreme Soviet has approved the main provisions of the draft Union treaty. What will its conclusion bring to the republic? It will enable it to develop normally and naturally. I am referring to a series of vitally important questions. For a start let us take the preservation of human relations and ties. More than 2 million of Belorussia's inhabitants belong to other nationalities, and at the same time more than 2 million Belorussians live beyond its borders in various other republics. At present they are all citizens of one country. But any separation of the national republics by means of state barriers will impair and disrupt century-old ties, riding roughshod over people's lives and breaking them up.

Question: Are you not exaggerating?

[Sholodonov] By no means. Even the attempts to put up customs barriers (when we adopted the law on the social protection of the market) have shown that we were cutting to the quick. This led to an avalanche of complaints from Belorussians themselves: We are unable to send even the most essential items to our relatives and friends in Russia and the Ukraine. Things which we have always sent them. And the same goes for them. Yet the establishment of separate states is not like putting up a customs post. It means putting up a dividing line. For all human ties. It is impermissible to disrupt and destroy what has been built up over centuries.

Question: Unfortunately, practice furnishes many examples of political and economic aloofness...

[Sholodonov] Indeed, right now we are being hit hard as a result of the destruction and disruption of economic ties between republics. There are shortages of raw materials and spare parts. We are constantly hearing: You must develop horizontal ties. The Union, it is claimed, may disintegrate, but horizontal ties will function and save us all. We have already seen how they are functioning and saving us when even the slightest separation of republics sets in. Belorussia has concluded three treaties—with Russia, the Ukraine, and Kazakhstan. And the result? The Union still exists, they have not left it, yet the ties are breaking up.

And all this is being done under the pretext of economic sovereignty. Everyone is looking only after their own interests, despite the fact that the overall results are sharply deteriorating as a consequence. Strictly speaking, this is one of the main causes of the unprecedented decline in production and the exacerbation of the situation on the goods market. And as you know, there is no one to turn to since Union organs are already powerless, having lost their authority. A clash of sovereignties, a clash of laws is under way between the republics. This is the way to ruin. What we need are firm guarantees!

Question: How do you visualize these?

[Sholodonov] Only in the Union treaty, in the establishment of a single, sovereign, democratic state on a federative basis. Belorussia's economic gain from this is unquestionable. After all, as I have said before, the republic is very poor in certain vitally important types of raw materials and semi-finished products. For example, we cover only 7.3 percent of our requirement in rolled ferrous metal, 25 per cent of cement, and less then 50 percent of industrial timber. Any violation of contract ties between republics will be stopped by law via the Economic Court of the USSR.

Question: Obviously, the Union treaty will be advantageous not only for Belorussia?

[Sholodonov] Unquestionably, it will be advantageous for all the republics and for the country as a whole. After all!, our republic also delivers many things to the union market. Light industry goods for example, hosiery and knitwear. And a lot of machine building output. Giant "Belaz" trucks, as everyone knows, are produced exclusively for Russian and Ukrainian open-cut mines. And there are in our republic, just like in other republics, enterprises which produce components for large-scale industries throughout the country. One of the deputies who spoke against the Union treaty said: "It is easier for one person on his own to get out of the mire." I personally, just like the majority of the Belorussian people, espouse a different principle as a guideline for life: It is easier joining forces than being on one's own. On one's own one may get lost. And this is also confirmed by simple common practice: Geologists working in swamps will bear me out, and so will alpinists. It is impossible to list them all! The history of our country, and the history of mankind confirm this too.

USSR Forecasting Resolution To Be Ignored

PM1807105991 Moscow IZVESTIYA in Russian 18 Jul 91 Union Edition p 1

[Own Correspondent M. Shimanskiy report: "Belorussia: An End to Obedience?"]

[Text] Minsk: The USSR Cabinet of Ministers Resolution "On Organizational Measures for Elaborating Production Programs and Forecasts for the Socioeconomic Development of Enterprises, Regions, Republics, and the USSR in 1991 During the Formation of Market Relations" will not extend to Belorussian territory.

The Belorussian SSR [Soviet Socialist Republic] has recognized that the basic clauses of this resolution do not aid the republic's progress toward economic independence and jeopardize the implementation of the Belorussian state program for the stabilization of the economy and the social protection of the population. Measures envisaged in it contradict existing republic legislation regarding enterprise-budget interrelations, complicate the financial situation, and increase the size of the budget deficit.

Deputies at a recently concluded republic parliamentary session severely criticized the given resolution. The Belorussian Government resolved that the said USSR Cabinet of Ministers resolution will not operate on Belorussian SSR territory by virtue of the fact that it contradicts republic legislation. The resolution adopted by the Belorussian SSR Council of Ministers is binding on all associations, enterprises, and organizations located on republic territory irrespective of departmental subordination. So it seems that the very complacent Belorussian Republic is putting an end to unconditional obedience.

Moldova

Communist Party Seeks CPSU Congress

LD1907024991 Moscow TASS International Service in Russian 1418 GMT 18 Jul 91

[Excerpts] Kishinev, 18 July (TASS)—An extraordinary CPSU congress or an international party conference should be convened, this was the statement put forward by the buro of the Bendera City Committee of Moldova's CP (on the CPSU platform). In buro members' opinion, and in the opinion of secretaries of primary party organizations, the republican information agency MOLDOVA-PRESS reports, the need to access the current moment at the party's supreme forum, to work out and adopt a program, and to listen to reports delivered by CPSU leading bodies became urgent long ago.

The statement notes that many assessments, conclusions and points of the final documents of the 28th CPSU Congress, which ordinary party members connected their great hopes with, are not backed up by the real state of things. A lot of them have to be reconsidered, and some of them proved to be erroneous. [passage omitted]

The statement says that Communists associate the present situation in the party and in the country with the passiveness of CPSU leading bodies, especially with the passiveness of CPSU leading bodies, especially with the Secretariat. This is why, in the buro's opinion, it should be renewed.

Ukraine

Deputies' Letter to G-7 on Assistance Issue

LD1807162291 Kiev Radio Kiev International Service in Ukrainian 1900 GMT 17 Jul 91

[Text] A group of Ukraine people's deputies, including Dmytro Pavlychko, Volodymyr Yavorivskyy, Ivan Drach, and Les Tanyuk, have sent a letter to the participants of the London G7 conference. As is known, attitudes in Ukraine to the assistance provided by the leading western countries to the USSR, that is, to the center, vary. While one camp believes that this assistance will foster the stabilization of the Soviet economy, the other reiterates that such stability will be achieved at

the expense of sovereign republics-states, for, they believe, the lion's share of the relief will be retained by the center for distribution as a kind of hand-out, among obedient sovereigns.

Dmytro Pavlychko, chairman of the parliamentary Democratic Party of Ukraine, one of the letter's authors, assessed its contents in this way:

[Pavlychko] The letter was composed mainly by our economists, that is by the parliamentary commission for economic reforms. The letter's main thought is that we are against the G7 countries rendering assistance to the Union. Instead, we would like them to provide help to the republics. If the G7 club has goodwill and wants to help us, we can only welcome this intention, for this will precisely amount to assistance to the Union. But if the G7 leaders mean to hand the funds over to the center while it will be our obligation to pay the debts back later, without ever knowing how and what the loans were spent for, then no, thank you, we do not want such assistance. Such a deal would only throw us into a debtors' hole; in this way the G7 club would put us into an extremely difficult situation by rendering help to the center. Therefore we decided to clarify these questions in our letter.

We would be very pleased if West Europe, the United States and Canada could see our Ukrainian state in a slightly different light. What is needs is help, direct help. (?And we will pay back). We are a very rich country. Even today the republic earns over $10 billion. But the republic does not receive a single dollar, everything is taken by the center. If we could dispose of earned hard currency ourselves, we would not need any assistance from outside. Still, we believe that one day this money, earned by us in a hard way, will be ours.

Kravchuk Speaks on Draft Union Treaty

PM180715239l Moscow PRAVDA in Russian 16 Jul 91 First Edition p 2

[Statement by L. Kravchuk, chairman of the Ukrainian SSR Supreme Soviet, given to M. Odinets in Kiev and published under the rubric "Union Treaty: Republics' Stance"; no date of statement given: "Guided by the Will of the People"]

[Text] Kiev—The attitude to the Union Treaty was determined in our republic by the results of the referendum. A special feature of the referendum was that a republican poll was held in addition to the union referendum. On that day the will of Ukraine's people to preserve the Union was clearly demonstrated. The majority of the population—26 million people—expressed themselves in favor of a new Union of sovereign states. This has now assumed the force of law for our parliament and is now a law for all the political forces and political parties because it is the will of the people. And there can be no speculation on this account, no reinterpretation. The people have had their say and they expressed it firmly.

However, it seems to me that many people who have spoken and written assessing this event have not always been consistent. I believe that they are confusing the concepts "Union" and "treaty." After all, it has been asserted that a Union of sovereign states is what the Ukrainian people want, the treaty itself must be in keeping with the letter and the content of the formula expressed in the preceding words. But the population did not vote for a treaty. Now people are trying to substitute one concept for the other. It is being claimed that the people backed the treaty. Let me clarify—the population expressed itself in favor of the Union of sovereign states, and, naturally, the treaty must be in keeping with the Union formula.

With precisely this in mind, the Ukrainian parliament today—in the course of two sittings of its session during which 35 people's deputies spoke—discussed the content of the treaty prepared by the committee set up by the Congress of People's Deputies. The parliament addressed above all the question whether the content of the treaty is in keeping with the concept of the Union of sovereign states. That was the first point. In the process of the discussion it emerged that on a number of issues, fundamental issues at that, the treaty is not in keeping with this concept. Take for example the title of the new entity—union of sovereign states. The content of the treaty does not correspond to this description. This means that it is necessary to bring the title in line with the content.

Now to the second point. We took a look to see whether the text of the treaty is in keeping with the Ukraine's Declaration of State Sovereignty. Do they correspond? It seems justified to me to raise this question. It would be impermissible to omit comparing the two documents, to close our eyes to discrepancies in such an important matter as the formation of a new entity, an entity such as the Union.

In the process of the discussion of the draft we discovered that the declaration and the treaty do not coincide on many fundamental and partial issues. The question arose: What should we uphold? The Declaration? Or should we disagree with certain formulations contained in the text of the treaty?

Naturally, it will be difficult during the broad discussion of the draft treaty to satisfy all peoples and all republics. This means that certain corrections and clarifications will have to be introduced. Naturally, this cannot apply to fundamental provisions. Fundamental issues must not be watered down, formulations which are devoid of content and can therefore subsequently be interpreted as people like must not be adopted and introduced. We have had a similar sad experience with the 1922 treaty, of which very little has remained with the passage of time.

We proceed from the premise that the treaty must be attractive in its essence, to ensure that people join the Union gladly, filled with hope that it will provide them

with greater freedom, democracy, prosperity, and protection, and enhance their civilization and international prestige. It is necessary for people to be able to view the Union as a great community which will ensure equality, freedom, and peace for everyone. In that case it will not be necessary to pressurize people to join, making ourselves look like hustlers. Everyone must be drawn to the Union, have a natural desire to be part of the Union which protects people and inspires them with great aims and hopes.

When we looked at the draft from this angle during the parliamentary session, we realized that there are many points in the text of the treaty which need to be expanded, clarified, and enriched with accumulated experience, including international experience.

This is the Ukrainian Supreme Soviet's stance. We are not playing some sort of game as some people are claiming, trying to accuse us of putting off signing, looking for snags. Let me recall that Academician Andrey Sakharov proposed, back at the First Congress of USSR People's Deputies, that such a treaty be signed without delay. And what happened? Did people heed the call of the great scientist? No. Yet at that time this was a realistic and entirely workable proposal. It would have been possible to resolve this task both more quickly and solidly than now when the country has been shaken up to a critical point. But we did not heed the wise man's voice. We have now asked for a period of two and a half months, taking into account the vacation period, but nonetheless we are told that we are dragging our feet. But I can say that had the draft treaty been submitted to us in April we could have discussed it within the same month. In May and June we could have elaborated and adopted it. But now there simply was no time, physically. Judge for yourselves. The session ended its work at the beginning of July. Yet it was not until the last 10 days of June that the treaty arrived for examination and we were able to distribute it among deputies. We even went as far as to extend the session, but nonetheless we did not manage to deal with the draft comprehensively and in depth.

I believe that Ukraine's stance in this is honest, solid, and well-considered. I am opposed to approving and signing a document without having properly seen it. After all it is not a question of partial issues, but of the fate of the country, the fate of the Ukraine, a question of deciding whether we will be a free, sovereign state. People must know what they are entering, what type of a Union, what they are likely to gain from this, and what consequences this may have for them. Above all the political, economic, international, and other consequences. People must be informed about this frankly.

I was told: Let us get a group of delegates together and send them off to sign the treaty. I replied: This is such an important document that the entire republic Supreme Soviet must take part in its examination. We take the view that the Ukrainian SSR [Soviet Socialist Republic] Supreme Soviet must, after the discussion, vote on the main provisions of the treaty, fundamentally, accurately, and clearly setting out its text both as a whole and in detail because every word in this treaty will play an important role.

There are historical examples of this, and there is no need to accuse us of digging around in order to find something. The Ukraine has no intention of leaving the Union.

It is possible that certain political forces are talking about this, but this is not the opinion expressed during the poll and the referendum.

It seems to me that the people who are trying to insinuate all kind of things, including the possible use of force, claiming that the Western Ukraine is steering a separate course, that hostile forces there have begun to raise their banners, these people are not acting for the good of the cause.

As for the latter, this is yet another attempt to divide the Ukraine into east and west. It is claimed that the majority of Ukrainians live in the west and hence the prevailing situation. While Russians live in the east and therefore the situation there is quite different. I must note that the Russians in the Ukraine cannot be compared with the Russians living in the Baltic republics. In our republic they are part of the indigenous population, they have lived here for hundreds of years. They have established their families and dynasties here, which continue from generation to generation. The Russians in the Ukraine are equal participants in all the political processes. As to its level of education, involvement in leading organs, and the general level of culture, the Russian population has the edge in the Ukraine. We do not tolerate any discrimination against them. Therefore there is no need to try and play the Russian language card. It is a dangerous game.

There are 12 million Russians in the Ukraine, and if some people want to divide the Ukraine, I simply cannot understand these people or the aims which they are pursuing. Either, they have completely lost their common sense and their grasp of reality, or they are indeed providing grist to the enemy's mill. In this context I would be very gratified if PRAVDA acted from realistic positions here, if it set an example of an in-depth analysis of the situation in the Ukraine. Our republic bears no comparison with Latvia, Lithuania, Estonia, or Moldavia, begging their pardon. There are 52 million people living in the Ukraine. The Ukrainian SSR is a great state and any insinuations concerning Russians in the Ukraine are unseemly. The people's reaction to such moves is negative, not to say hostile.

This is our stance, these are our arguments. We are not standing aloof from the general treaty process because this is a course chosen by our people. However, we will seek, step by step, we will spare no effort to achieve that the treaty corresponds to the specific interests of the republic's population and of the declaration, to ensure

that it is a document which paves the way to all the key spheres of civilized life, to everything that modern people aspire to.

Lvov Public Committee Considers Forming Army

OW1907035791 Moscow INTERFAX in English 1230 GMT 18 Jul 91

[Transmitted via KYODO]

[Text] On Wednesday, some 300 people held in the city of Stryy, Lvov region, the founding conference of a public committee for forming a Ukrainian Army. They elected members of the committee's Stryy branch.

Army Officers Plan Kiev Congress for 27-28 Jul

OW1907050291 Moscow INTERFAX in English 0930 GMT 18 Jul 91

[Transmitted via KYODO]

[Text] Ukrainian army officers are planning to hold a congress in Kiev on July 27-28. The organizer, military council of the movement Rukh, intends to discuss the political situation in the Ukraine and the ways to review the republic's armed forces, including the administrative and legal aspects of this problem and issues connected with legal and social protection for servicemen. There are plans to form a committee of Ukrainian army officers.

IF's [INTERFAX] correspondent has been told by Rukh's military council that the proposed congress can be attended by active service and reserve officers who are to present mandates from the local Rukh organizations or from the Ukrainian republican and Democratic parties.

Leaflets with information on the upcoming congress were published in 30,000 copies.

Economic Case for Republic Army Presented

PM1807135191 Moscow NOVOYE VREMYA in Russian No. 26 June 91 (Signed to Press 25 June 91) p 35

[Article by Valeriy Semivolos, member of the Ukrainian Republic Party: "Should the Ukraine Have Its Own Army? The Ukraine Has Agreed To Sign the Union Treaty and Is Thus Entrusting Its Defense to the Union Army. But There Is Also an Alternative Viewpoint"]

[Text] Kharkov—The Ukrainian People's Republic (1917-1920) did not have its own army and that was why the Bolsheviks were able to overthrow the legitimate Ukrainian Government. In the forties and fifties the national liberation movement in the Western Ukraine relied on a relatively small army (the Ukrainian Insurgents Army) and as a result the people were able to resist both the German and Soviet occupation for a long time.

The events of the "perestroyka" period indicate that the center prefers not to risk wide-ranging military intervention in intrarepublic affairs in those republics with more or less organized national military formations. Armenia and Georgia are examples of this, and if Moscow does bring troops into regions of this kind, they hold a neutral position (South Ossetia, Moldova). However, the Ukraine is not Moldova or Georgia. Individual military formations will not be our salvation. Only a regular national army will be able to defend our sovereignty.

What would it cost the Ukrainian people?

Through 1989 the official line was that the USSR's total military spending amounted to 20.2 billion rubles [R]. In 1989 this spending was said to amount to R77.3 billion. Finally, the USSR Supreme Soviet approved military spending of R96.5 billion for 1991.

However, it seems that this figure only includes Defense Ministry spending and left aside other spending dispersed around various sectors of the military-industrial complex... Presumably the real military budget is double or treble that figure.

What proportion of this inordinate burden does the Ukraine bear? Official statistics hush this up, so let's work it out for ourselves.

As is well known, the Ukraine accounts for 25 percent of the Union GNP. We can assume that the Ukraine accounts for the same proportion of the military budget. That is, if we believe official figures, roughly R25 billion.

You can also work it out differently. The Ukraine's population is 52 million. Based on the Ukraine's percentage of the Union population, we can determine a minimum percentage of 20 percent for our share of the military budget. Making R20 billion—that is, the same order of expenditure. But that is, I repeat, if we assume that the 1991 military budget is R96.5 billion. On the basis of detailed calculations and analysis of the structure of the military-industrial complex the figure of R300 billion seems more genuine to me. In that case the Ukraine accounts for R60-75 billion.

You don't believe me? Well, let us do another small calculation. The Ukraine's 25-percent share of Union GNP represents R218.5 billion. The Ukraine's official budget, that is what is left from its master's table in Moscow, amounts to R50 billion. MOLOD UKRAINI cited another figure: "Union ministries annually steal R100 billion from the Ukraine." An ordinary arithmetical calculation indicates that the difference between the Ukraine's share of Union GNP (R218.5 billion) and the figure of colonial tax (R100 billion) plus the republic's budget (R50 billion) equals R68.5 billion, which is undoubtedly used for the Union military budget.

According to my calculations, roughly 1.2 million army men are stationed in the Ukraine, their arsenal including 14,000-16,000 tanks, 15 nuclear submarines, 364 intercontinental missiles, 20,000 infantry fighting vehicles

and armored personnel carriers, 20,000 artillery systems, and 2,000 warplanes. In terms of numerical strength and combat potential this roughly equates to the armed forces of the FRG (before unification), Britain, and France together!

If we want to become a normal European power, our Army must match up to European yardsticks. Who wants to live cheek by jowl with a hungry, unclothed neighbor who devotes all his effort not to feeding himself and his family and restoring his damaged home but to arms? From time to time a conflagration still flares up in the beggar's backyard, threatening to set the whole countryside alight in a minute... Therefore the Ukraine must now declare its intention not only of axing environmentally dangerous nuclear power programs, but also of strictly hewing to the three nonnuclear principles.

Addressing Ukrainian parliamentarians 27 November last year, Mikhail Moiseyev, chief of the USSR Armed Forces General Staff, said that our republic provides more than 17 percent of the entire Soviet Army draft. That is roughly 700,000 men, almost half of whom until recently served outside the Ukraine.

How large do I see a future Ukrainian Army? Taking into consideration the future professionalization of the army and the renunciation of nuclear weapons and the corresponding maintenance, backup, and delivery systems, the numerical strength of the Army will drop to 200,000-300,000. That is, there are now an excess 400,000-500,000 Ukrainians "under arms..."

What will the Ukraine spend on the upkeep of an army of that size? European countries like the FRG (prior to unification) and France spend 2-4 percent of their GNP on defense. In figures that percentage of GNP equates to R4.3-8.6 billion for the Ukraine. That is the creation of a national Ukrainian professional nonnuclear army would make it possible to release almost R70 billion. One of the main guarantors that this money would be spent on implementing social, cultural, and economic programs for the Ukraine would be its national army.

Opposition Against Assistance Via Moscow

OW1807042791 Moscow INTERFAX in English 1800 GMT 17 Jul 91

[Transmitted via KYODO]

[Text] The member of the Presidium of the Ukranian Supreme Soviet supporting the opposition have sent a message to the participants in the G7 summit in London explaining why in their view hard currency aid to the USSR via central authorities would be inexpedient. The authors of the message argue that this may only put the Ukraine in the debt web, because the Centre has failed to give any guarantees that the republics will have a fair say in using the subsidies.

One of the authors, Dmitriy Pavlychko, has told IF [INTERFAX] that his republic need foreign aid, but does not need any mediators who can monopolize the distribution of that aid and tell the republics how much they will have return to the West. Pavlychko said that if the Ukraine were not forced to give almost all of the 10 bln dollars it earned annually to the Centre, it would probably feel no need for Western aid.

Court Orders Deputy Khmara to Attend Trial

OW1907034991 Moscow INTERFAX in English 0930 GMT 18 Jul 91

[Transmitted via KYODO]

[Text] On Wednesday, the court considering the case of Ukrainian MP Stepan Khmara ruled on two occasions that the defendant should be brought to the court room by force. He and other people are charged with having attacked Police Colonel Grigoryev on November 7 last year.

At the morning session, S. Khmara declared that he doesn't consider himself as an accused and that he doesn't trust his judges. Subsequently he left the court room. Four more defendants, Leonid Berezanskiy, Nikolay Golovach, Oleg Batovskin and Nikolay Ratushniy said they are boycotting the court.

As S. Khmara's lawyer Aleksandr Sergyenko explained, the defendants' behavior was promoted by actions taken by the court which had dismissed their objection to its present composition and which decided to try them behind closed doors with guards at the door and special passes.

S. Khmara returned to the hotel "Ukraina" where he is staying, while his supporters organized pickets in the expectation of OMON (riot policemen) [Special Purpose Militia Detachment] despatched to deliver the MP to the court room by force. The OMON however did not arrest Khmara. At the afternoon session, the court ruled once again that the presence of S. Khmara in the court room should be ensured.

In an interview for IF's [INTERFAX] correspondent, the chief judge Vasiliy Belousenko dismissed the defendants' objections to the present composition of the court based on Communist Party membership. V. Belousenko suspended his party membership while performing his functions as a judge in accordance with the Ukrainian Constitution. As for the people's assessors (his assistants), this constitutional provision does not apply to them.

Georgia

Gamsakhurdia Cables Mutalibov About Human Rights

LD1807123391 Moscow Central Television First Program Network in Russian 0900 GMT 18 Jul 91

[From the "Television News Service" program]

[Text] Georgian President Gamsakhurdia has sent a telegram to Mutalibov, his Azerbiajani counterpart, in which he noted facts regarding violations of human rights in the Belokanskiy, Kakhskiy and Zakatalskiy rayons of Azerbiajan which are mainly inhabited by Georgians.

Press Service Denies TASS Report

OW1907031191 Moscow INTERFAX in English 1230 GMT 18 Jul 91

[Transmitted via KYODO]

[Text] The press service of Georgia's President came out with a statement in connection with Tuesday's TASS report entitled "Gamsakhurdia Accuses Azerbaijan."

"There were no accusations," the statement said. "During President Ayaz Mutalibov's visit to Tbilisi Zviad Gamsakhurdia handed him a letter which says that the leaders of the two sovereign states should exert efforts with a view to ensuring cultural autonomy for the Azeris living in Georgia and for the Georgians living in Azerbaijan".

As for the TASS report, it said: In his letter, Gamsakhurdia "accused the authorities of several areas in Azerbaijan of infringing on the rights of local Georgian communities. He also mentioned attacks on Georgian homes resulting in their destruction, and the cutting of orchards belonging to Georgian families."

The press service of Georgia's president lays emphasis in its statement on the need to strengthen ties between the two republics. "The meeting between the presidents of Georgia and Azerbaijan and their signing of a treaty on friendship and neighborliness are an excellent beginning of the process of establishing lasting peace and stability in the region as a whole", the statement points out.

National Guard to Run Airport Security

AU1907102991 Tbilisi Radio Tbilisi Network in Georgian 0200 GMT 19 Jul 91

[Text] The regional division of the Republic of Georgia National Guard has commenced work at Tbilisi airport.

As its chief Mr. Khutishvili told us, the duties of the new service will include fully guaranteeing the security of incoming and outgoing flights. With this aim in mind, in the near future, all the airport's staff will be provided with identity cards which will bear their title, full name, place of work, and position. Furthermore, this card will enable them to gain access to restricted areas during working hours. As Mr. Khutishvili stated, this will fully prevent the possibility of outsiders entering buildings restricted to staff only and the territory on which the airliners are stationed. Second, this form of control will guarantee almost complete flight security and this will increase the reputation of the Republic of Georgia Civil Aviation Administration.

However, Mr. Khutishvili stated: This will not be our only task. In the near future, we intend to introduce a customs service that will apply to all non-domestic flights. This will enable us to check what is being brought into and taken out from the republic's capital, [words indistinct] bringing in and taking out forbidden items. It is no secret that this kind of thing is happening in all civilized countries in the world. However, at present, the Tbilisi airport guards—they are now there—are resolving other problems such as that of acquiring the necessary modern equipment for their work.

Armenia

Supreme Soviet Postpones Union Treaty Debate

XC1907085991 Yerevan Radio Yerevan Network in Armenian 1730 GMT 18 Jul 91

[Excerpts] The Armenian Supreme Soviet Presidium met on 18 July under the chairmanship of Levon Ter-Petrosyan, chairman of the republic's Supreme Soviet.

The session discussed Armenia's participation in the 23 July meeting of the preparatory committee in Novo-Ogaryovo which will formulate the final version of the new Union treaty.

For the time being, the Supreme Soviet Presidium decided not to take any concrete measures on the union treaty issue. It took several factors into consideration: The fact that the 21 September Armenian republic referendum could democratically clarify the nature of our relations with the union by itself and that the republic's position on the union treaty has already been placed on the agenda of the Supreme Soviet's next session, that the Presidium would like to ascertain the final position of the Supreme Soviet, and the fact that even some of the republics that signed the Nine Plus One agreement have postponed their examination of the treaty to the middle of September.

Simon Bagdasaryan, Supreme Soviet deputy and head of the Council of Ministers operational staff, then presented a draft Supreme Soviet decision on the creation of a national security system for Armenia and all its component structures. He then answered questions with the assistance of acting Interior Minister Ashot Manucharyan and Vazgen Sargisyan, chairman of the Supreme Soviet Commission on Defense and Internal Affairs, who helped formulate the proposal. After a heated debate, it was decided to reconsider the issue at the Presidium's next session after the suggestions had been thoroughly studied. [passage omitted]

It endorsed the proposal of the Supreme Soviet Commission on Local Self-Administration to hold the local soviet by-elections with the presidential and parliamentary by-elections on 16 October 1991.

The Presidium decided to examine the proposal of Rafayel Gazaryan, chairman of the Supreme Soviet Commission on Education, Science, Language and Culture, to reconsider the Ministry of Enlightenment's plan to introduce obligatory Armenian education in the first six grades of the Russian public schools at its next meeting by inviting the representatives of the Ministry of Enlightenment and of the relevant commission to join in the discussion.

Other matters pertaining to the social and political life of the republic were also examined.

Supreme Soviet Issues NKAO Decision

NC1807211391 Yerevan ARMENPRES International Service in Armenian 1215 GMT 17 Jul 91

[Text] Yerevan, 17 Jul (ARMENPRES)—At the suggestion of the Armenian Supreme Soviet, the Constitutional Commission, working together with the Commission for the Establishment of Independent Statehood and National Policy Affairs and the Commission for Legal Affairs, drafted a bill on the Post of President of the Republic and on Presidential Elections. The 16 July session of the Supreme Soviet started to debate this bill.

The parliament voted to discuss the bill. It was decided to endorse the bill on election of the president of the Armenian Republic at first reading. The proposals to be made by deputies will be handed over to the Constitutional Commission. The bill will then be reformulated and resubmitted for the confirmation from parliament.

The Supreme Soviet introduced partial amendments to its 15 July decision on the political initiative of the plenipotentiary representatives of the working people of Nagorno-Karabakh Autonomous Oblast [NKAO]. It was decided to formulate the document as a declaration.

Next, the Supreme Soviet began debating the bill on "The Post of the President of Armenia."

[ARMENPRES International Service in Armenian at 1215 GMT on 17 July carries the text of the Armenian Supreme Soviet's declaration as a separate item. The text of the declaration is as follows:

["The Declaration of the Armenian Republic Supreme Soviet on the Political Initiative of the Plenipotentiary Representatives of the Working People of NKAO:

["Guided by the norms of the internal law,

["Expressing loyalty to the obligation to defend human rights and the right of nations to self-determination.

["Being aware of the need to seek political solutions and preclude the use of force in inter-ethnic relations,

["Aspiring to get out of the exceedingly tense situation existing in Nagorno-Karabakh Autonomous Oblast and in Shaumyanovskiy Rayon of Azerbaijan Soviet Socialist Republic,

["The Armenian Republic Supreme Soviet,

["1. Supports the 16 May 1991 declaration of the plenipotentiary representatives of the working people of Nagorno-Karabakh Autonomous Oblast, by which the organs of the oblast administration express the readiness to start political talks with the Azerbaijani authorities and seek solutions on the basis of mutual concessions within the framework of the USSR Constitution and laws.

["2. Gives its consent to the definitive plan on the restoration of the constitution order in the oblast as set out in the 29 June 1991 letter sent to the USSR President Gorbachev by the plenipotentiary representatives of the working people of NKAO.

["3. Expresses regret that the political initiative of the plenipotentiary representatives of the working people of NKAO has not been embraced by the USSR and the Azerbaijani authorities, and this has caused renewed tension.

"[16 July 1991, Yerevan city."]

NKAO Representatives Issue Delcaration

NC1907100791 Yerevan ARMENPRES International Service in Armenian 1215 GMT 17 Jul 91

[Declaration Issued by the Meeting of the Plenipotentiary Representatives of the Working People of Nagorno-Karabakh Autonomous Oblast]

[Text] The meeting says that tragic episodes are taking place in the oblast. These incidents are accompanied by atrocities; plunder; brigand attacks and murders; arson against settlements, schools, and hospitals; illegal detentions; violations of human rights; and deportations of a peaceful population from their homes.

Under the pretext of passport control, the punitive operations being carried out by the OMON [Special Purpose Militia Detachment] of the Azerbaijan Internal Affairs Ministry and USSR Internal Affairs Ministry troops are exclusively directed against the Armenian population.

The ongoing atrocities, terrorism, pillaging, and the forced deportations of the Armenians of the Nagorno-Karabakh Autonomous Oblast [NKAO] have forced the oblast soviet executive committee to make an appeal to international organizations and governments of foreign countries to provide political asylum to the entire Armenian population of the oblast. In order to avoid further bloodshed, the meeting states:

In remaining loyal to the constitutional order, the NKAO sees its future existence within the structure of the renewed federation.

We appeal to the highest USSR organs of power to immediately interfere and ensure the security of the the life, honor, and elementary rights of the Armenian population.

We believe that the implementation of the state of emergency should be exclusively a matter involving USSR Internal Affairs Ministry troops.

We call on the Azerbaijani community to start talks on the restoration of the constitutional organs of power, and solve the problems in the relations of the two communities.

We call on all the sides drawn into the conflict to reconsider, through negotiations among themselves, the unconstitutional decisions made regarding the NKAO.

[Signed] The bureau of the city party committee, city soviet executive committee, oblast soviet, oblast soviet executive committee, the bureau of oblast party committee.

[Dated] 16/5/91, in Stepanakert city.

'Explosive' Situation in Shaumyanovskiy Rayon

NC1907044691 Yerevan Radio Yerevan Network in Armenian 1950 GMT 17 Jul 91

[Text] The State Committee for the Implementation of Special Projects informed our correspondent that the Soviet Army subunits have shelled and destroyed the television relay station in the (?Khnvarabtug) region in Shaumyanovskiy Rayon. [words indistinct] Because the centralized power distribution has been cut off to the rayon since 13 July, the population cannot watch Russian television, even through their own receivers.

The Army subunits and the Azerbaijani Special Purpose Militia Detachment have taken positions near the Armenian villages in Shaumyanovskiy Rayon. The situation in Shaumyanovskiy is exceedingly explosive. The people deported from Manashid, Buzluk and Erkech are still hiding in the nearby forests and are afraid to return to their villages.

'Alarming' Reports From Nagorno-Karabakh

LD1807173391 Moscow Radio Rossii Network in Russian 1350 GMT 18 Jul 91

[Excerpts] Alarming reports continue to come from Nagorno-Karabakh, as is witnessed by (Karen Khumaryan):

[Begin (Khumaryan) recording] The telephone link with Stepanakert is cut off for the third successive day. Since even earlier, since the start of the Ministry of Internal Affairs and Special Purpose Militia Detachment [OMON] operation, the link with Shaumyanovskiy Rayon has been cut off. News from there takes a long time to reach us, so the facts made public at yesterday's news conference by (Semyon Bogdasyaran), the leader of the operational headquarters recently set up by the Armenian Council of Ministers, are perhaps already out of date.

At 2000 yesterday it was relatively calm in the blockaded villages of Shaumyanovskiy Rayon. There was an attempt to exert psychological pressure in the air by a constant barrage of helicopters. Since the morning they have been joined by a Mig-25 fighter bomber. [passage omitted]

(Semyon Bogdasyaran) said that one gets the impression that the Armed Forces and OMON are working to a carefully planned timetable, and are now awaiting the order to storm Erkech, Verishen and Ayboris. Should they strike another blow, then it would be with the knowledge of the highest leadership of the Ministry of Internal Affairs, the USSR Ministry of Defense, and the Azerbaijani leadership.

In conclusion, a small, but seemingly pleasant piece of news, although it has still not been officially confirmed: Today our colleague, journalist Vakhtan Ovanisyan, who was seized by OMON troops in the village of Getashen at the start of May, is due to be released from an Azerbaijani prison. [end recording]

In complete accordance with the spirit of pluralism, we have also tried to ascertain the position of the Azerbaijani side. We have been helped in this by Baku journalist, Azer Khalilov, who has noted that the Television News Service of the all-union television and radio company, as well as the Russian Vesti television program, is showing one side of the conflict. At the same time, as the Azerbaijan Ministry of Internal Affairs has discovered, Armenia is preparing large-scale aggression against this republic. A significant amount of modern military equipment has been amassed on the border. As early as today, but perhaps not immediately, Armenia could mount a large-scale attack. I remind you that this information was relayed to our Azerbaijani correspondent, Azer Khalilov, in the republic's Ministry of Internal Affairs.

NKAO Officials Send Letter to Gorbachev

NC1807213191 Yerevan ARMENPRES International Service in Armenian 1215 GMT 17 Jul 91

[Letter to USSR President Gorbachev from Armenian officials in Nagorno-Karabakh Autonomous Oblast, NKAO; date not given]

[Text] Esteemed Mikhail Sergeyevich, the meeting of all strata of society in the NKAO, having analyzed the existing situation, confirmed that numerous mistakes by the governing organs on all levels pushed the NKAO problem to an impasse. The policy of confrontation and avoiding dialogue also considerably contributed to it.

The people's representatives, during their meeting, considered that at this stage the only acceptable course is the one leading to mutual agreements and negotiations between all the interested sides—Union, Armenian, Azerbaijani and NKAO political forces—on the Nagorno-Karabakh problem.

The 16 May 1991 political declaration of the representatives of the Armenian community concerning the transition from confrontation to dialogue and negotiations was later reflected in the 19 June No. 1.63 decision of the oblast soviet executive committee.

Regrettably, the call for dialogue was disregarded not only by the Azerbaijani leadership, but also by the Union's central authorities.

We appeal to you to organize negotiations between the sides interested in eliminating the crisis. We also request that you propose a mediation role to the central organs of power to prevent the violation of the Constitution by the sides.

In its decision, the oblast soviet executive committee considers it possible to accept the 28 November 1989 resolution of the USSR Supreme Soviet and all decisions by the USSR Government as the underlying concept for the negotiations.

We consider it necessary to solve the following issues at the negotiations:

1. The restoration of functions of the organs of power suspended by the 12 January 1989 decision of the USSR Supreme Soviet Presidium, and the setting of definite timetables for the elections to the soviets on all levels.

2. Concurrently with that of NKAO, the demilitarization of the adjacent Azerbaijani regions, and the redeployment of the subunits of the USSR Internal Affairs Ministry along the length of the borders of the oblast.

3. The full restoration of the functions of the Internal Affairs Department in the NKAO, and vesting it with the duties to ensure the law and order on the territory of the oblast.

4. To put an immediate end to the politically motivated harassment of people.

5. To rescind all the sides' decisions incompatible with the Constitution.

6. To create security zones around socioeconomic installations in the vicinity of the NKAO.

7. To unblockade the Stepanakert-Goris road and ensure the secure movement of all types of transportation.

8. To return to their permanent residences all the citizens deported from the oblast territory, and restore the constitutional status quo in the oblast.

9. To ensure the physical security of the population in Shaumyanovskiy Rayon.

10. To prevent the instigation of inter-ethnic emotions in the mass media.

The unreserved implementation of all the provisions of the decisions on NKAO which are not incompatible with the USSR Constitution could stabilize the situation in the region.

For nearly three hundred years, the Armenian population of Nagorno-Karabakh has linked its fate with Russia, and regardless of the entire situation evolving in Transcaucasia, it does not conceive its existence outside the Union federation being formed on democratic principles.

We hope that the initiative manifesting the goodwill of the Armenian side in the NKAO to solve the Nagorno-Karabakh problem through peaceful talks would earn your consent and comprehensive assistance.

[Signed] USSR People's Deputy H. Pogosyan; M. Mirzoyan, chairman of Stepanakert City Soviet Executive Committee; Sh. Petrosyan, deputy chairman of the Oblast Soviet Executive Committee; K. Baburyan, director of the Organizational Department of the Oblast Soviet Executive Committee; L. Melik-Shahnazaryan, director of the Oblast Soviet Executive Committee's department for refugee affairs; and G. Petrosyan, departmental director at the Stepanakert condensers factory.

Azerbaijan

Commission To Visit Georgian Areas

LD1807124491 Moscow Radio Rossii Network in Russian 1100 GMT 18 Jul 91

[Text] (Mirzoyev), chief of the Azerbaijan president's press service, has informed TASS that the republic's leader, Mutalibov, has thoroughly familiarized himself with the letter from Georgian President Gamsakhurdia which expressed dissatisfaction over the way the cultural and spiritual needs of Georgians residing in Azerbaijan are being satisfied. For his part, Mutalibov made a number of similar comments. However, he added that in the very near future a special commission will be sent to areas densely poulated by Georgians.

Communist Party Warns of Armenian Attacks

OW1907050391 Moscow INTERFAX in English 1500 GMT 18 Jul 91

[Transmitted via KYODO]

[Text] Commando groups are being concentrated in the Varden and Sisian districts of Armenia bordering on Azerbaijan—reports the press centre of the Azerbaijani Communist Party's Central Committee.

According to the press centre, Jul 18-19, the commandos are likely to launch a massive attack along the borders of the Sisian, Jermuk, and Varden districts.

Nagorno-Karabakh Casualty Statistics Reported

OW1907031691 Moscow INTERFAX in English 0930 GMT 18 Jul 91

[Transmitted via KYODO]

[Text] Since the beginning of this year, 122 people have been killed in Nagorno-Karabakh: 56 Azeris, 46 Armenians, and 20 members of other ethnic groups, including 17 servicemen, said the press center of Azerbaijan's Communist Party with reference to the commandant's office enforcing state-of-emergency regulations locally.

190 people have been injured: 77 Azeri civilians, 36 Armenian civilians, 55 servicemen, and 22 policemen.

Confiscated were 222 arms, 758 kilos of explosives, more than 60,000 units of ammunition. The use of weapons of foreign make has been registered.

Popular Front Leader on Situation in Azerbaijan

NC1807082491 Istanbul TURKIYE in Turkish 10 Jul 91 p 6

[Report by Ahmet Ali Arslan]

[Text] Washington—Due to the almost severed telephone and communications links of Azerbaijan with the outside world, Ebulfez Ali Elcibey, leader of Azerbaijan's Popular Front, took advantage of Baku's "satellite" channel and after establishing contact with Washington, briefed TURKIYE about the latest political situation in Azerbaijan.

Elcibey announced that when Gorbachev is getting ready for the London summit, 27 deputies of the Popular Front have resigned from the Azerbaijan parliament. He said: "For us there is no longer a parliament. We want general elections."

The leader of the Popular Front said the reports disseminated by Moscow about attacks on Armenians in Nagorno-Karabakh are completely unfounded and added: "Everything is under the control of the Russian Army; it does whatever it likes."

Elcibey said the general congress of the Azerbaijan Popular Front will be held 13-16 July in Baku, and that leaders from all the Turkish ethnic groups have been invited to attend.

Elcibey also said the Popular Front in no way will participate in the presidential elections slated for September 1991. He noted that this issue will be discussed and decided upon at the congress.

Elcibey indicated it is the Russian soldiers and the Russian Army which have attacked Nagorno-Karabakh, and under the pretext of deporting people from there, killed people in the name of the Azerbaijani people. He added: "The Russian Army is in control of everything in Azerbaijan; it is doing whatever it likes."

He said that there is no more security of life in Azerbaijan. The Azerbaijani government is unable to ensure it. He pointed out that six people were killed in Azerbaijan last week and the government failed to find the perpetrators. Again two people were killed three days ago. Four people were killed in Sahavent village and the government could not bring the culprits to justice. Seventeen people were injured in Gorenboy village and four were taken hostage. He added: "The responsibility for all this falls on the Russian Army, which manipulates the Azerbaijani government like a puppet."

Elcibey said the Nagorno-Karabakh problem is unsolvable and added: "It is Armenian President Ter-Petrosyan who created the Nagorno-Karabakh problem for Azerbaijan. He is the one who started the problem at orders from Moscow, and now he is implementing the orders of his Moscow masters."

Stepanakert Official Protests OMON Activities

OW1907084491 Moscow INTERFAX in English 18.30 GMT 18 Jul 91

[Transmitted via KYODO]

[Text] The airport in Stepanakert has been closed for two days. Its manager has sent a cable to the USSR Interior Ministry, KBG, and Defence Ministry protesting that actions by the Azerbaijani riot police (OMON) [Special Purpose Militia Detachment] have made further flights impossible.

"Extortion, abuse, rape are the norms of conduct for the OMON police", goes the cable. "Elementary safety rules are violated. 50 or 55 passangers without tickets are forced into the planes and the crews are ordered to fly under the threat of arrest", revealed the manager.

Communist Party Backs Mutalibov for President

PM1807133391 Moscow PRAVDA in Russian 16 Jul 91 First Edition p 2

[AZERINFORM-TASS REPORT: "Continuing as the Vanguard"]

[Text] Baku, 15 Jul—A joint plenum of the Azerbaijan Communist Party Central Committee and Control and Auditing Commission was held in Baku today. It discussed

tasks in organizationally and politically strengthening the Azerbaijan Communist Party at the current stage.

The report was delivered by A.N. Mutalibov, member of the CPSU Central Committee Politburo and first secretary of the Azerbaijan Communist Party Central Committee.

The plenum accepted Azerbaijan Communist Party Central Committee and Control and Auditing Commission recommendations for republic party organizations' key spheres of activity.

Having discussed the candidate for the post of Azerbaijan Republic president, the plenum participants approved and backed the candidacy of A.N. Mutalibov, first secretary of the Azerbaijan Communist Party Central Committee, who has been nominated by many labor collectives.

Tajikistan

Leaders Urge Improvement of Agriculture

LD1807174991 Dushanbe Radio Dushanbe Network in Russian 1130 GMT 18 Jul 91

[Text] [Words indistinct] Makhkamov, president of the Tajik Soviet Socialist Republic, and Khayayev, prime minister of the republic, have visited Leninabad Oblast. They acquainted themselves with the state of affairs in the oblast and participated in a meeting on the results of the economic delegation. President Makhkamov noted that the situation in agriculture is bad, and this is the major source of our wealth on which we can clearly depend. If only 30 percent of the cotton produced in the republic is taken to the final product—consumer goods—it could mean thousands of new jobs. So far we are only using 10 percent of the crop. The leadership of the republic will render all-round assistance, up to providing long-term credits over a period of 10 to 15 years, to farms which will organize the establishment of small enterprises for processing cotton.

Turkmenistan

President Visits Italy; Plans Iran, Afghan Trips

PM1807092991 Moscow KOMSOMOLSKAYA PRAVDA in Russian 17 Jul 91 p 2

[A. Bushev report under the rubric "Turkmenistan: Political Chronicle": "President Niyazov's Roman 'Holiday'"]

[Text] Having returned from Novo-Ogarevo, Turkmen President S. Niyazov departed for Italy, where he spent the last days of June.

The trip culminated in the signing of an agreement with the Italian firm TPL [expansion unknown] to build a large cotton processing combine and a gas and chemical complex in Turkmenia. The facilities' cost—and the Italians are promising to hand them over on a "turnkey basis" as early as in three years' time—is approximately $800 million. What does this money mean for Turkmenia? To put it graphically: If we were to divide it among Turkmenia's inhabitants, each one, including babies and old men, would receive 6,000 rubles [R]—at the market exchange rate. There is no information about other details of the agreement—the sums invested by both sides and the conditions for dividing up the future profits. Apart from this, R120 million worth of foodstuffs and consumer goods will be bought up on credit in Italy. All of this represents the fruits of the "federation undergoing renewal," S. Niyazov stated, "when the republics got the chance to go out into the international market, bypassing Moscow." The secret of these fruits is plain and simple—money from the sale of cotton and gas for export started to come into the republic's treasury. True, not all of it for the moment, but only that part which Turkmenia has managed to make from autonomous deals. But it is still the center which plans the volume of these autonomous deals.

The Turkmenistan president's next business trips are planned to visit his neighbors in Iran and Afghanistan. Turkmenistan Minister of Foreign Affairs A. Kuliyev made the following statement at a press conference in Kabul: "Improving relations with Iran presupposes an improvement in relations between Iran and Afghanistan as well." Whatever the situation might be, it has been decided to begin this process in a very wise manner: by building bridges and roads. The moribund plan for a "trans-Asia main railroad"—that is, the plan to link up with Iran's railroad network by way of an autonomous branch of the Central Asian Railroad, which would be a direct route from Europe to Asia and which, incidentally, even Peter the Great dreamed about—is being revived as a priority. Direct agreement to introduce an Ashkhabad-Herat-Kabul air link has also been achieved.

Uzbekistan

President Comments on Trial of Deputy

OW1807084491 Moscow INTERFAX in English 0930 GMT 17 Jul 91

[Transmitted via KYODO]

[Text] The trial of a member of the Uzbek parliament Shovruk Ruzimuradov started on Wednesday morning in Karshi, Uzbekistan.

Before the trial that is expected to last three days the Uzbek president Islam Karimov stated his opinion of the defendant. Addressing local Communist Party official he said that he feels sorry for Ruzimuradov, but "some people from Tashkent made his head turn."

According to the Uzbek leader, "this man is unable to write even the simplest document and is generally illiterate." Karimov added: "We won't jail Ruzimuradov, we'll set him free, of course. However, we must deliver a blow to the people who played with him from a distance."